

Mr Smith tells whites to campaign for Mr Nkomo

Rhodesia's whites were urged by Mr Ian Smith yesterday to persuade their black workers to vote for Mr Joshua Nkomo, the guerrilla leader, in next month's election. It might be the only way to stop Mr Robert Mugabe, the other Marxist guerrilla leader, winning. Bishop Abel Muzorewa called Mr Smith's tactics dangerous.

Bishop Muzorewa says tactics dangerous

From Nicholas Ashford

Salisbury, Jan 31. After several weeks of silence, Mr Ian Smith, leader of the white Rhodesian Front Party, has entered the political fray by calling on his white supporters to back Mr Joshua Nkomo rather than Mr Robert Mugabe.

Speaking at an election meeting at Marula, near Bulawayo, Mr Smith said it was important to keep the Marxists out at all costs.

"The choice", he declared, referring to next month's election, "among the nation's 6,500,000 blacks could be between Mr Mugabe and Mr Nkomo, the two guerrilla leaders." This may sound disconcerting to some people who have been on the receiving end, such as the Viscount disasters, but the best choice, could be

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Dutch Queen makes way for her daughter

From Robert Schuill

Amsterdam, Jan 31. Queen Juliana of the Netherlands tonight announced that she would abdicate on April 30, her seventy-first birthday, in favour of her daughter, Crown Princess Beatrix.

In a three-minute speech on radio and television, on her eldest daughter's forty-second birthday, the Queen said: "To everyone who grows older, sooner or later, the sober fact of declining energies appears, which no longer make it possible to fulfil one's task as before. A moment then arrives when it becomes irresponsible to continue to take on thus the task of the Queen. I thus feel that, for me, the moment is approaching when I must lay down my task as your Queen."

The announcement came as a complete surprise. There were rumours last year that Queen Juliana would abdicate on her seventieth birthday or at the latest after her speech from the throne last September. But these two events passed without the slightest indication that the Queen had any intention of stepping down and amidst official assurances that she intended to carry on.

It thus had been generally assumed that the Queen would not abdicate for several years in order to allow her daughter to devote more time to her family.

The reign of Queen Juliana, who ascended to the throne in September 1948, marked the end of the Netherlands as a colonial power. It is known that the Queen personally welcomed the independence of Indonesia. Her reign was also marked by personal tragedy, most recently over the censure of her husband, Prince Bernhard, for his involvement in the Lockheed bribery affair.

In contrast to her mother the formidable Queen Wilhelmina who was deeply respected by her subjects, Queen Juliana is genuinely loved by a large portion of the population for her simple and unassuming ways.

The new Queen Beatrix is a woman who acts with decision in contrast to Queen Juliana, who seems less sure of herself. Some observers have wondered whether she will adhere just as stringently to the pattern of constitutional monarchy as her mother has.

Like her mother however, and her grandmother before her, Princess Beatrix may be expected to be Queen of the Netherlands in her very own way.

New Queen brought up in exile, page 8



Queen Juliana on television last night.

Continued on page 2, col 5

523 disputes and 62,000 cars lost in two years, nine months Mr Robinson held office

Edwardes attack on record of Longbridge convener

By Edward Townsend

Sir Michael Edwards, chairman of British Leyland, said last night that disputes at its Longbridge plant increased during the time Mr Derek Robinson, the union convener dismissed in November, was working there.

Sir Michael said that in the two years nine months that Mr Robinson held office at the Birmingham factory there were 523 disputes and the company lost production of 62,000 cars and 113,000 engines.

During the period the previous convener, Mr Dick Edwards, was in office there had been strikes and disputes but nothing like those that occurred "after he left and this man took over".

During Mr Robinson's term of office man hours lost

increased by 87 per cent compared with the time Mr Etheridge was convener. On average 4 per cent of working days was there no dispute or work sanction.

Since Mr Robinson's dismissal the proportion of dispute-free days had risen to 89 per cent, Sir Michael said on the BBC television programme *Platform One*.

Mr Robinson was dismissed by the company for his part in the publication of a booklet attacking British Leyland's recovery plan.

The three-man inquiry by the Amalgamated Union of Engineering Workers recently finished taking evidence in the case and the findings are being studied by the union's national executive.

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HOME NEWS

Social democratic group threatens to set up rival Labour candidates to counter left-wingers

By George Clark
Political Correspondent

A threat to put up alternative Labour candidates in opposition to Labour MPs who have left-wing, anti-democratic sympathies was made yesterday by Dr Stephen Haseler, chairman, and Mr Douglas Eden, secretary, of the Social Democratic Alliance, which is seeking to counteract the growing influence of extremists within local Labour parties and in the national executive.

Dr Haseler (Kensington) and Mr Eden (Hornsey) and Mr Roger Fox (Finsbury, London), national organiser of the alliance, have been expelled from their local Labour parties and are awaiting a decision from the Labour NEC on the appeals against expulsion.

They argue that it people like Mr Edward Heslin of Oxford, who actively supports the Workers' Socialist League, a Trotskyist group, and members of the Trotskyist "Militant Tendency" can be allowed to continue as members of the Labour Party, they themselves should not be expelled.

Yesterday they claimed that they are receiving support from an increasing number of Labour voters who believe in the principles affirmed by the party conference in the days of Hugh Gaitskell "for the protection of workers, consumers and citizens against any exercise of arbitrary power and committing the form of collective prejudice and intolerance".

Dr Haseler said that in the NEC and more frequently in local parties, where expulsions received less publicity, the

Labour Party was alienating a large section of the voters on whom the party must rely.

Mr Eden, outlining the alliance's new plan of action, said that a list was being prepared of "reserve candidates" who could be drafted into parliamentary constituencies and local government wards when "extremists" won the nomination from left-dominated local parties.

It was a contingency plan. It would be activated only when it was clear that the left had finally won the internal battle within the party.

Mr Eden said: "We are suggesting that if the Left continues as it has done in the recent past there will be constituencies in the next general election where we shall be offering a true Labour alternative to those offered by the party officially."

Mr Eden said that those MPs included members of the national executive. Among left-wing supporters he listed better known names:

Mr Frank Allain (Salford, East); Mr Alan Atkinson (Hillingdon, Tottonham);

Mr Eric Heffer (Liverpool, Walton); Mr Neil Kinnock (Bedwelly);

Mr Wedgwood Benn (Bristol, South-East); Mr Dennis Skinner (Bolton, East);

Mr Lester (Bton and Salford);

Mr Judith Hart (Lanark);

Mr Rendle Short (Wolverhampton, North-East); Miss Joan Maynard (Sheffield, Brightside); and Miss Judith Richardson (Barking).

Others who might find themselves with rival candidates could include Mr James Lomond (Oldham, East); Mr Ernest Ross (Dundee, West); and Mr Stanley Newens (Harrow).

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Tapped telephones allegations denied by both Mr Whitelaw and Mr Rees

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mr William Whitelaw, Secretary of State for Home Affairs, and Mr Merlyn Rees, who held the same office in the Labour Government until the May general election, yesterday rejected allegations made in an article in the *New Statesman* that thousands of telephones were being tapped illegally without the consent of the Home Secretary.

Mr Whitelaw, besieged in the Commons by pleas for an inquiry and questions from both sides of the Chamber, said that he would be reporting to the House before long on telephone tapping and would deal with the matter of introducing legislation to provide statutory provision for those operations. His report is expected within the next few weeks.

The Home Secretary went on to tell the House that interception of postal and telephone communications was a vital weapon in combating serious crime, including drug smuggling and terrorism.

It was done by the Post Office on behalf of the police, Customs and Excise and the security services, but "only on the authority of individual warrants signed personally by the Secretary of State". There had been no change in procedure.

Mr Thatcher told MPs that there was effective political control of the security services and also effective ministerial control over telephone interception.

The Birkett report said that

the power given to the Secretary of State to issue a warrant to intercept communications, whether by letter, telegram or telephone, was "of great importance and consequence, that it would be most rigorously confined to the purposes that convinced the Home Secretary it was right to issue the warrant".

Our Political Editor writes: The Government is kicking itself for wasting so long to propose legislative backing for wire tapping and feels upstaged by the allegations in the *New Statesman*, but it was being said at Whitehall last night that Mr Whitelaw's policy statement would have to wait a few weeks more.

However, the Home Secretary was said authoritatively to favour some legislative backing for what is called "telephone interception" and to favour the number of intercepts to be authorized by warrant each year. His belief is that the total would cause public concern to diminish.

It is claimed for the Government that a review of possible legislative backing for the practice had been carried forward by Conservative ministers and not nominally by the Home Secretary personally.

Asked whether the number of taps approved each year could be counted in tens, hundreds or thousands, Mr Rees replied that they could not be counted either in thousands or in hundreds.

Later, he confirmed in the Commons that telephone tapping was for the approval of the Home Secretary personally and not nominally. He suggested to Mr Whitelaw that the time had come for another report on the lines of the inquiry under the chairmanship of Sir Norman Birkett in 1957 which set down the rules for successive governments.

The Birkett report said that

Home Office officials had acted after Sir Robert Megarry, the Vice-Chancellor, had commented in the Mulroney case last year that the Home Secretary's power to authorize tapping warrants had no legal authority.

Birkett report, 23 years ago. Mr Stanley said.

The *New Statesman* article, written by Mr Duncan Campbell, a defendant in the official secret trial in 1978, identified an office block in Ebury Bridge Road, Westminster, as the centre for tapping.

The article suggested that a 1,000-line tapping system had been installed making use of computers capable of turning telephone speech into textual printouts. The computers were capable of sending the texts direct to M15 and MI6 headquarters.

One Post Office engineer had described a telephone room at the headquarters of the Crown with strike committee. Most of the work done at the centre went to the security services, and the police, who named the system "Finkerbell", took only 10 per cent of the taps.

The article dealt with the monitoring of calls as they occurred and the Post Office also has facilities for recording numbers, dialled from a telephone.

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New union curb planned

By Alan Hamilton

The Government is to publish proposals next week which, if implemented, will strip away much of the immunity from prosecution traditionally enjoyed by workers who take industrial action in support of disputes that do not directly involve their employer.

Mr James Prior, Secretary of State for Employment, has already put forward measures to outlaw secondary picketing and to confine picketing to those directly involved in a dispute and only at their place of work.

Now, in an addition to his Employment Bill, he is to propose that legal immunity from civil actions for damages should be confined to those working directly involved in a dispute and those only one step removed from it.

The proposals will say that legal immunity should be granted to those working for the employer involved in the dispute, to those at the em-

Foreign cars banned at some BL plants

By Clifford Webb
Midlands Industrial Correspondent

BL's "Buy British" campaign is resulting in foreign cars being banned from some of its plants or the drivers being directed to park in areas set aside for non-BL cars.

He said the object was to provide conditions which the mass of the grassroots Labour voters would want to support.

When I asked why the SDA had not approached Mr Roy Jenkins, the former Labour minister, who favoured a new social democratic political movement of the centre, Dr Haseler said he had not agreed with him on every political issue and the alliance had made no particular approach to him.

Union's evidence: Activities of the Trotskyist group "Militant Tendency" constitutes a challenge to the credibility of a social democratic socialist party, the Association of Professional, Executive, Clerical and Computer Staff states in evidence to the commission of inquiry into the Labour Party's future organization.

The white-collar union, with 71 per cent of members paying the levy to the Labour Party, and with 29 MPs in its membership, also launches a sustained onslaught on left-wing ideas for disciplining Labour MPs.

In its evidence, the union insists that an MP owes his loyalty not just to his constituency general management committee, but to Parliament, the Parliamentary Labour Party, his trade union and his constituents. Automatic submission for reselection would greatly threaten the credibility of a future Labour Government.

Motoring, page 25

Lord Chancellor replies to jurors' complaint on remarks by judge

Signs of judicial system 'being undermined'

By Craig Seton

There have been disquieting signs lately that the main elements on which the judicial system depends, robust, independent and incorrupt juries, judges and lawyers, are being undermined, Lord Hailsham of Saint Marylebone, the Lord Chancellor, said yesterday in a letter to four jurors in the anarchist's trial.

He said that in the public interest the controversy over Judge King-Hamilton's remarks, which had cast aspersions on their integrity and intelligence.

In his reply, Lord Hailsham said he was not responsible for jury vetting by the police.

There was high judicial authority for the proposition that once a jury was discharged it might be a contempt of court for anyone, whether in authority or not, to attempt any action by way of revenge or retribution against any incorrupt juror for his part in obtaining a verdict.

When the jury acquitted four of the defendants of conspiracy and arms charges in December, the judge described its verdict as "remarkably merciful in the face of the evidence".

He also ordered it to return to the Central Criminal Court the next day when a fifth defendant pleaded guilty and was sentenced to nine years' imprisonment.

The four jurors complained

to Lord Hailsham, saying they were appalled and insulted by Judge King-Hamilton's remarks, which had cast aspersions on their integrity and intelligence.

But it is a matter of public interest and, subject to the laws of contempt and defamation, comment is presumably free: judges are not allowed to complain of reasonable criticism of their judgments and jurors are presumably in the same position", he said.

The four jurors' argument that the judge should not have commented on the jury's verdict was a legitimate opinion, but not necessarily the only point of view.

The judicial system depended on three main elements: robust, independent and incorrupt juries, judges and lawyers, and it was the Lord Chancellor's duty to protect all three "and not one at the expense of the others".

Lord Hailsham said he could make no comment about the judge's verdict or the judge's comments. The verdict on questions of fact was obviously

decisive in law and effect and been given to it.

"But it is a matter of public interest and, subject to the laws of contempt and defamation, comment is presumably free: judges are not allowed to complain of reasonable criticism of their judgments and jurors are presumably in the same position", he said.

He added: "There have been disquieting signs of the system which are one of the whole system, between the courts and the Government would be destroyed".

Lord Hailsham said he intended to keep his own counsel, except to quote Judge King-Hamilton's closing words at the trial, which were: "I praise the conscientious attention you manifestly gave all the time to the evidence."

Last night the four jurors said they were disappointed with Lord Hailsham's letter. He had failed to deal with their main point, to seek an assurance that jurors in future would not be subjected to an order to appear by a judge. He had given no assurance, they would reply to Lord Hailsham shortly.

Pickets arrested in clash outside mills

From David Nicholson-Lord
Sheffield

Seven pickets were arrested and a brazier and a hut were knocked over in scenes of violence outside a private sector steelworks at Rotherham, South Yorkshire, yesterday.

Four of the men, from Sheffield and Rotherham, were charged with obstruction and with breach of the peace. They were bound over for a year by Rotherham magistrates.

Five of the arrests came in a clash between 150 pickets and 70 police at Templeborough rolling mills, where 220 members of the Iron and Steel Trades Confederation were reporting back for work after a two-day strike.

The Templeborough works is half owned by British Steel. Its ISTC workforce has been laid off for a fortnight because no steel was being moved out.

A contingent of ISTC strikers, estimated at about 40, had been picketing in breach of the executive's decision to call off the blockade of private steel firms after the Court of Appeal's injunction at the weekend.

Mr Stanley Sheridan, speaking for the ISTC's South Yorkshire and Humberside divisional strike committee, said: "Our men had not got the correct information from head office and were under the impression that only the 16 firms named in the injunction should not be picketed. Once they got the information they followed the strike committee's advice and withdrew."

Adding to the confusion, however, was a police statement that the men's misunderstanding concerned the terms of the injunction.

Chief Inspector Douglas Lock of Rotherham police, said: "The wording of the injunction was that they should not picket any private sector firms at all. Unfortunately the letter containing the instructions from the ISTC had not arrived until this morning, by which time there had been a buildup of pickets."

Mr Lock denied pickets' allegations that the police had

Continued from page 1

steel industry which threatened to close many British pits. The TUC wants a £18m annual subsidy to that the Government says the National Coal Board cannot afford any more money.

Mr Ian Murray, general secretary of the TUC, recently told a press conference: "We deliberately gave them a chance to think and have second thoughts. If their second thoughts are like their first thoughts, we are in for a bit of a rough time."

Asked: "That depends," he was asked to elaborate but checked himself, adding only: "By rough time, I mean very rough."

PARLIAMENT, January 31, 1980

Telephone tapping necessary in days of sophisticated crime

House of Commons

Successive Governments had believed that in the modern world of terrorism and other sophisticated crimes, telephone tapping was in the national interest. Mr William Whitelaw, Home Secretary, said during questions, Mrs Thatcher, the Prime Minister, indicated there was effective political control over telephone interception.

Mr Robin Cook (Edinburgh, Central, Lab) began the exchanges by asking if Mr Whitelaw would introduce legislation to provide statutory provision for telephone tapping.

Mr Whitelaw (Penrith and the Border, C)—I shall deal with this matter when I report to the House, I hope before long, the outcome of the studies raised by the case of Malone v. the Commissioner of Customs and Excise only the authority of individuals grants silence, personal to the Secretary of State.

I would like to make it clear that Mr Cook seemed to try to suggest to the contrary, is carrying out exactly the same proceedings as its predecessors

and the Government should be mounting such an operation without sta-

tutory authority and with no safeguards approved by Parliament?

Can he explain why the Post Office requires equipment simultaneously to monitor 2,000 private lines when the Birkett report said there were only 100 in any one year?

With technical development of this nature a quarter of a century after Birkett, it is time we

had a further public inquiry into the nature of phone tapping and a report to this House.

Mr Whitelaw—I have undertaken to make a report to this House shortly. The interception of postal and telephone communications is a vital weapon in combating serious crimes, including drug smuggling and terrorism.

It is carried out by the Post Office on behalf of the police, Customs and Excise and the security services only on the authority of individuals grants silence, personal to the Secretary of State.

I would like to make it clear that this Government, as Mr Cook

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had a further public inquiry into the nature of phone tapping and a report to this House.

Mr Whitelaw—I note carefully what he says. But every Government for a long period of time has had to make a proper balance between two considerations, perhaps sometimes that led to its impairment.

Mr Whitelaw—Naturally successive Governments have believed that in the modern world of terrorism and other sophisticated crimes it is a responsibility which no MP would particularly like to have. It is in the national interest that the Secretary of State has it. He has to protect it personally and with very great care. (Conservative cheers.)

Mr Geoffrey Dickens (Huddersfield, West, C)—Would it accept that many people in this country are dreadfully worried about surveillance techniques, be they bug-
gling, telephone tapping or interference with the Royal Mail?

It would be conceded there are many MPs who feel that the Birkett report has become inadequate

and needs revision, and would be undertaken to consider a possible Bill of Rights to protect the individual and responsibility. I thank Mr Golding for what he says.

Mr Alan Clark (Plymouth, Sutton, C)—The majority of people regard this as an essential element in the broad structure of law enforcement. They welcome the fact that it is evidently being done efficiently and would deplore anything that led to its impairment.

Mr Whitelaw—The first is the national interest for the protection of its citizens in every way, and the second is the need to make sure of individual rights. It is a balance which has to be kept.

Over a period of time Government has given over the national interest basically to the Home Secretary this action is in the national interest. That is why they have stuck to the principles. These principles are in the national interest.

I can only repeat firmly what I have said. It is the job of the Home Secretary; this House has placed that responsibility on him.

Mr Merlyn Rees, chief Opposition spokesman on home affairs (Leeds, South, Lab)—I can confirm one basic point—that telephone tapping is for the Secretary of State personally and is not done nominally as suggested in the report today.

As he is now finishing consideration of the legal implications of the judgment and in accord with the judgment I gave to the House last year that the time had come for another Birkett report, would he report shortly to the House when he has come to a conclusion?

Mr Whitelaw—Yes, I will.

Mr David Steel, Leader of the Liberal Party (Roxburgh, Selkirk and Peebles)—The need for this sort of surveillance is not challenged, nor is the Home Secretary's diligence.

What concerns the House is that it appears that that has been an apparent increase in the need for this kind of surveillance over the last 10 years, and the House is entitled to know what the scale of this activity is.

Mr Whitelaw—Successive Governments in the national interest have never given any figures on this matter. We have stuck within the terms of the Birkett report. I will note what he has said.

Later, during questions to the Prime Minister, Mr Clement Freud (Isle of Ely, L) asked—Could she

mark P.O.T.H.Q. / O.P.D./ E.D.D.—(Laughter)—and tell the House exactly what is going on? (Renewed laughter.)

Mrs Margaret Thatcher (Brent, Finsbury, C)—No. I have nothing to add to the excellent replies given earlier by the Home Secretary on this matter.

Mr David Winnick (Walsall, North, Lab)—Are not the allegations contained in press reports of phone tapping disturbing?

Is there not a need for the Prime Minister to satisfy the House that there is effective political control of the security services?

Mrs Thatcher—I am happy to say that there is effective political control over the subject of telephone tapping.

Mr Robert Sheldon (Ashton under Lyne, Lab)—Can she assure us that there is no tapping of MPs?

Mrs Thatcher—There is exactly the same practice announced under Sir Harold Wilson's premiership. All Governments have followed it since. There has been no change whatsoever.

Deaths in police custody: Home Secretary insists upon no cover-ups or witch hunts

There must be no question of a cover-up over deaths in police custody, Mr William Whitelaw, Home Secretary, said during questions and there would be no cover-up while he was in office. There should be no witch-hunt against the police either, he added.

Replying to Mr Michael Meacher (Oldham, West, Lab) who had asked if the Home Secretary would set up an inquiry into deaths in police custody, Mr Whitelaw said—
As I am aware, I have asked chief officers of police for further detailed information and I will consider what further action, if any, may be appropriate.

Mr Meacher—Since the original police version of the death of Jimmy Kelly was that he died from a heart attack and since the full facts have only emerged because a local action committee happened to set up to look into the matter, I would like to know whether there are other Jimmy Kellys concealed beneath the bland statistics.

Mr Whitelaw—I am grateful to what he has said. I have some knowledge of this and I appreciate the point seriously.

Mr Peter Emery (Hounslow, C)—Has he had his attention drawn to the Chief Constable of Devon?

Mr Whitelaw—Yes, I have. I am grateful to him for his report. I have been in touch with the chief constable of Devon who believes that this particular chief constable has done more to work for cooperation between the community and the police than probably any other chief constable in the country?

Mr Whitelaw—It is not for me to comment on what MPs say in this House; it is for them to decide what they think.

My impression of the Chief Constable of Devon and Cornwall, gained at first hand when I visited his force, is as he says. He is held in very high regard in Devon and Cornwall and is carrying out a

system of policing which many people favour very strongly.

Mr Alexander Lyon (York, Lab)—Would he recognise that the concern of people is for the individual rather than the community? I do not understand the point he makes about whether the system as a whole needs some looking at. It is for that reason that we are calling for a public inquiry, because there is genuine public concern.

We are not involved in which officers are to get at any individual constable, but it is because there is concern which can only be dealt with by a public inquiry.

Mr Whitelaw—I believe the principle of going through inquests through coroners, as we do at present, is the right one and I hope it will be proved to be so in some of the cases coming up.

Mr Merlyn Rees, chief Opposition spokesman on home affairs (Leeds, South, Lab)—Would he accept the statement Mr Whitelaw has made in the way he sees his role as Home Secretary. We are glad that information is to be given to the select committee because the information does need clarification before further allegations are made.

One point concerns me. It is that the names of those involved in any of these cases should not be banded about unless the family concerned has given permission.

Mr Whitelaw—I entirely agree that, except for those who require because of the gravity of their crime a lengthy period of imprisonment, shorter terms of imprisonment should be an effective deterrent to criminal behaviour.

Mr Joseph Dean (Leeds, West, Lab) said there was need to deal with conditions in some prisons, such as Armley, where, because of the lack of resources, prisoners were confined to cells for almost 24 hours.

Mr Brittan—I entirely agree that conditions of that kind cannot and ought not to be defended. The extent to which it is possible to deal with them must depend on the prison building programme, which is being looked at, and on the success of the efforts to be made to ensure that those people who do not need to be in prison are not in prison.

He added that the figure of £5,894 for keeping a prisoner in prison will not include the social security costs for the maintenance of prisoners' wives and families.

Improving the quality and extent of the work done by prisoners was being looked at by the Home Office.

Mr Peter Emery (Hounslow, C)—

Has he had his attention drawn to the Chief Constable of Devon?

Mr Whitelaw—The proceedings of Operation Countryman were supported by my predecessor and we must allow them to continue and give them every possible support in doing so.

It would not be proper for me to comment on decisions of the Director of Public Prosecutions.

Mr George Cunningham (Lislington, South and Finsbury, Lab)—There is no interference in the work of Operation Countryman. Will he state that no interference is impediment to this House?

Mr Whitelaw—He has referred to telephone tapping, which he has already fully answered. It would not be in the national interest to make any further comment.

Mr Whitelaw—I will gladly add my voice to that of the Commiss-

ioner of Metropolitan Police when he spoke in Glasgow recently when he said just that. I support him fully in what he said. Mr Robert Cryer (Keighley, Lab)—A form of corruption in the secret agencies would be if only one warrant authorized by the minister was used for a multitude of telephone tapping. Could he tell us what the Home Office has done?

It is the case, will he pursue this particular form of corruption vigorously and ensure that there is proper and full accountability to this House?

Mr Whitelaw—He has referred to telephone tapping, which he has already fully answered. It would not be in the national interest to make any further comment.

Mr Whitelaw—I will gladly add my voice to that of the Commiss-

Prisoners costing £5,894 a year

The Speaker (Mr George Thomas)

said he would not accept the BBC recording of proceedings of the House as in any way being a check on Hansard.

He was replying to Mr Tom Dalyell (West Lothian, Lab) who had raised a point on order of the report of reply to a question from Mr Golding about the Prime Minister on Tuesday.

Mr Dalyell said that on Tuesday the Prime Minister answered a question of substance from him, on which she had the usual fortnight's notice, on the security services at the joint conference project at Ureton, Alnwick, Holland.

When he examined what she said in *Hansard* he found it read rather differently from what he had understood the Prime Minister to say in the House. He therefore went to the sound archive where for the usual 25p fee they gave him a cassette of what the Prime Minister had said.

In five instances the Prime Minister's replies to himself and Mr Frank Allard (Salisbury, East, Lab) were different from the recorded cassette in wording and various degrees of emphasis.

The Prime Minister did not say, as column 1,023 of *Hansard* reported, "We tried to secure information from the Government of Pakistan that they would

not transfer any nuclear technology anywhere else."

He was of the opinion that in this instance the *Hansard* reporter and the Prime Minister's private secretaries who checked *Hansard* acted in good faith.

It was because there appeared to be a certain element of slippage in their opinion that it was good time for the Speaker to reflect on the issues involved and make a statement at his convenience and for the Prime Minister to make his views known in *Hansard*.

He understood, cassette or no cassette, sound broadcast unit or no sound broadcast unit, there had to be a certain editorial discretion of *Hansard*.

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HOME NEWS

Leading doctors say Bill will mean more septic abortions

By Annabel Ferriman

The Abortion (Amendment) Bill will result in a return to the "scourge" of septic abortion, 70 leading doctors, surgeons and professors of obstetrics and gynaecology say in a letter to *The Lancet*.

The Bill, sponsored by Mr John Corrie, Conservative MP for Ayrshire, North and Bute, is due to reach its report stage on February 8.

The signatories say that although the Bill was presented as a modest measure aimed at eliminating late abortion, they regard it as "a most swingng attack which would, according to one of its supporters, cut abortion by two thirds and destroy the charities".

The letter says that a reduction in the upper time limit to 24 weeks is acceptable but that 20 weeks is too early and will cause suffering in the small number of cases where, unhappily, late abortion is necessary.

An upper time limit of 20 weeks will inevitably mean that many doctors will be unwilling to terminate after 16 or 18 weeks because of the impossibility of being absolutely certain about gestation date.

The signatories include Sir George Godber, former chief medical officer at the Department of Health and Social Security, Sir Richard Doll, pro-

Dyslexic plea is rejected

A father yesterday failed in the High Court to compel a local education authority to pay the cost of educating his dyslexic son for the past five years at independent boarding schools, and to provide special education for him.

Mr Justice Caulfield, sitting in the Queen's Bench Divisional Court, said that Cornwall County Council had not acted unreasonably in deciding that Nicholas Reynolds, now nearly 16, could receive suitable education within the state system.

Waste denied by London Transport chairman

By Michael Baily

Transport Correspondent

Mr Ralph Bennett, chairman of London Transport, yesterday denied allegations of waste and extravagance made by Mr Leslie Chapman, a fellow board member in a confidential report in December.

He referred to six weeks of "craig by headline" in his statement, made several hours before receiving the report on Mr Chapman's allegations from London Transport's auditors.

The Greater London Council, which received a copy of the 100-page document in the afternoon, said it would not comment until the report had been studied.

Mr Bennett made his earlier statement, he said, because the GLC had asked him for explanations of Mr Chapman's allegations simultaneously with the auditors' report. He had prepared it beforehand and released it to the press and the GLC.

Later, having read the auditors' report, he said, it appears to be wrong to limit it with our own conclusions. "It did not bear out the allegations of disgraceful and indefensible practices over cars, chauffeurs and catering, but found London Transport was 'very much in line with practices of organizations of similar size'.

For example, London Transport had 160 cars, not 224, and Mr Chapman's claim of £30-50 free meals in the executive dining room used for entertaining important foreign visitors, was "certainly overrated".

As to Mr Chapman's "more sweeping" allegations of inefficiency and waste in the organization, costing up to £50m a year, the report found that "the evidence is pretty thin", Mr Bennett said. He would report on that to the GLC.

Mr Bennett said his office was 900 sq ft because it was built that way fifty years ago, and partitioning or reconstruction in a grade one listed building would lead to allegations of architectural vandalism. It fulfilled a regular additional role as a boardroom.



Photograph by David Jones
Lord Snowdon, chairman of the working party on integrating the disabled, talking to Mr Derek Child, who is blind.

Snowdon call to help the disabled

By Pat Healy

Social Services Correspondent

A plea for an "affirmative action" programme to help disabled people to find employment was made in London yesterday. Mr Colin Low, president of the National Federation of the Blind and a lecturer in law at Leeds University, said similar programmes existed in the United States.

They should be used in Britain to bolster the quota system on disabled employment.

"We are all disabled to some extent." The barriers arise when people can no longer cope with their handicap. Suddenly, they are set apart and made to feel an exception and even, perhaps, a nuisance", he said.

Disabled people must have the opportunity to work like everyone else, he said. They must also have the opportunity to enjoy life.

Integrating the Disabled. Evidence for the Snowdon Working Party (National Federation of the Blind, Crippling Diseases, Vincent House Springfield Road, Horsham, West Sussex, RH12 2PN, £2.50).

employers to change either the entry qualifications or the nature of the job.

Mr Low was speaking at a press conference to launch the second report of the Snowdon working party on integrating the disabled, which publishes evidence from more than 200 disabled people and 180 organizations.

Lord Snowdon, who is chairman of the working party set up in 1974 by the National Fund for Research into Crippling Diseases, said his priorities were work and mobility for the disabled.

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Home Office ordered to disclose documents

By a Staff Reporter

The Home Office has been ordered to disclose five secret documents to a prisoner suing for false imprisonment over his detention in a control unit at Wakefield Prison in 1974.

Mr Michael Williams claims that his detention was unlawful because the unit's regime specified that prisoners should be held in isolation for 90 days, while the prison rules state that no prisoner can be held in isolation for more than a month without a review.

Mr Justice McNeill ruled in the High Court that documents Mr Williams said he needed to fight his case should be released. The Home Office has applied for leave to appeal.

Mr William Whiteclaw, the Home Secretary, has refused to release them on the ground that their production would be "injurious to the public interest".

He said they were communications between ministers and to or from ministers on the formulation of policy on control units, and records of meetings on the subject attended by ministers.

He thought they should not be published because of the need for freedom of expression between ministers and the need for full and uninhibited advice from officials to ministers.

Mr Justice McNeill said that an issue in the case was "that limited right of personal freedom protected by the Prison Act and the rules thereunder which is preserved for a prisoner".

The judgment, which was

given in the Queen's Bench Division on Tuesday, was published yesterday.

Mr Justice McNeill said the plaintiff should not be barred from a fair trial on all the relevant material unless the public interest immunity prevailed.

He went on: "I was shown a document, one of the documents for which immunity was sought but which came into the possession of the plaintiff's solicitor... In my view it has reasonably reached that, as a matter of reasonable probability, the documents were likely to contain material supportive of the plaintiff's case."

Mr Justice McNeill ruled in the High Court that documents Mr Williams said he needed to fight his case should be released. The Home Office has applied for leave to appeal.

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The judgment, which was

Juvenile and adult crime keep in step

By Peter Evans

Home Affairs Correspondent

Although the Government is committed to making proposals this year to reform the much criticized Children and Young Persons Act, 1969, a report today says there is no evidence that it has affected juvenile offences.

The report, *Some Facts about Juvenile Crime*, comes from New Approaches to Juvenile Crime, a body supported by eight organizations concerned with young offenders.

It says the relationship between juvenile and adult crime rates has remained fairly constant over the last decade. Juvenile offenders generally comprise about 30 per cent of all offenders in England and Wales.

The rate of crimes committed by boys peaked in 1974 and since then has fallen in three of the past four years.

Miss Harriet Harman, legal officer of the National Council for Civil Liberties and solicitor acting for Mr Williams, said yesterday: "It is an important and principled decision.

"The Home Office is obsessively secret about its activities, so it is normally difficult to call them into question. The court's order will make possible a proper trial of the issues.

"It is not fair for a prisoner to have to sue the Home Office with both hands tied behind his back."

The chairman of New Approaches to Juvenile Crime is Lady Faithfull, and the organizations backing it are: The Association of Directors of Social Work, Association of Chief Probation Officers, National Association for Care and Resettlement of Offenders, National Association of Probation Officers, National Council of Social Service, National Council of Voluntary Childcare Organizations and National Youth Bureau.

Call to reduce jail tension

By Our Home Affairs Correspondent

Ways of reducing tension in prisons were outlined last night by Mr Rodney Morgan, who has been at the centre of the controversy at Pucklechurch remand centre, Avon, where he has just been reappointed to the board of visitors.

Mr Morgan told the Labour Campaign for Criminal Justice, meeting in the House of Commons, that an interdepartmental working party should be set up to review ways of reducing the prison population, which in November reached 43,000 for the first time.

Mutli squad in Worms, London, which has led to protests over injuries to prisoners.

Mr Morgan said the multi squad, which stands for minimum use of force tactical intervention.

Mr Morgan told the Labour Campaign for Criminal Justice, meeting in the House of Commons, that an interdepartmental working party should be set up to review ways of reducing the prison population, which in November reached 43,000 for the first time.

Prison officers have refused to escort him inside the centre.

Mr William Whiteclaw, the Home Secretary, is also awaiting a report about use of the

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DEPARTMENT OF ENERGY

MAKE THE MOST OF ENERGY

Whitehall unions set up contingency 'mirror image'

Plan to paralyse government

By Peter Hennessy

Civil Service unions are planning to paralyse the heart of central government, including the House of Commons, 10 Downing Street and ministerial private offices, should their pay negotiations break down.

They are about to establish a joint working party designed to counter the work of the two secret Cabinet committees which Mrs Margaret Thatcher has charged with finding ways of mitigating the consequences of Civil Service strikes on the Government machine and the public.

A senior union official said that the working party would be the "mirror image" of rival contingency planners sitting on the Cabinet's Economy Civil Service Committee and the Economy (Official) Civil Service Committee, details of which were published in *The Times* on Wednesday. The Cabinet committees "are fighting last year's battle", he said.

Most of Whitehall's "winter of discontent" last year was caused by the two largest Civil Service unions, the Civil and Public Services Association and the Society of Civil and Public Servants. This year a wider range of targets across the whole spectrum of Civil Service work could be selected, as more unions are involved.

The idea of a joint union working party arose at a meeting of general secretaries on January 22. Mr Anthony Christopher, general secretary of the Inland Revenue Staff Federation, its first task will be to appeal



Mr Anthony Christopher: Proposed plan for action.

proposed a plan of co-ordinated action, which was received warmly by his peers.

The working party will consist of union deputy general secretaries, including Mr Alan Green, general secretary of the Civil and Public Services Association, Mr Campbell Christie of the Society of Civil and Public Servants, Mr Cyril Cooper of the Institution of Professional Civil Servants, Mr Frank Swift of the Inland Revenue Staff Federation, Mr John Sheldon of the Civil Service Union and Mr Peter Jones of the National Staff Side of the Inland Revenue Staff Federation.

Its first task will be to appeal

Coroner's warning about guards for open fires

From Our Correspondent

Whitehaven

A warning of the "absolute necessity for open fires to be guarded by a close fitting screen" was given by Colonel Kenneth Treacher, the Gwent coroner, at the inquest yesterday on four children who died in a fire at their home in Risca, Gwent, on January 11.

Verdicts of accidental death were recorded on Nigel Hall, aged six, Derek, aged five, Anne Marie, aged four, and Diana, aged one.

They were found by firemen in the bedroom in their council flat at Forysby Close, Fy-Sign, Risca. A post-mortem examination showed that they died from carbon monoxide poisoning after inhaling fumes from a fire.

Mrs Rosemary Hall, their

mother, was alone in the house with the children at the time. Her husband, Mr David Hall, a long-distance coach driver, was in Liverpool.

Mr Hall said she woke to find thick smoke coming up the stairs. The living room was ablaze. "I panicked and ran to a neighbour's house as the first thing I thought of was to ring the fire brigade," he said.

Colonel Treacher said: "Mrs Hall says she panicked. In my view, she did not panic but did the instinctive thing and that was to get help. I do not want her to feel here with any feeling of guilt."

He said that although the living room fire was guarded, the mesh of the guard was not

small enough to prevent a spark flying out.

Raising level of lake 'would mean greater flood risk'

From Our Correspondent

Whitehaven

More land would be inundated during floods if the level of the Lake District Water, Cumbria, goes up, the "two lakes" inquiry Whitehaven was told yesterday.

The embankments and lines could be affected. The worst effect would be

Lake District and Mirehouse, a strip 30-metres wide, would be flooded. Mr Gillie-pig, the North Water Authority's land-

escape and planning consultant, said:

"The maximum estimated flood levels would occur very rarely and over very short periods," he said. Flooding on agricultural land in the northwest sector of the lakes



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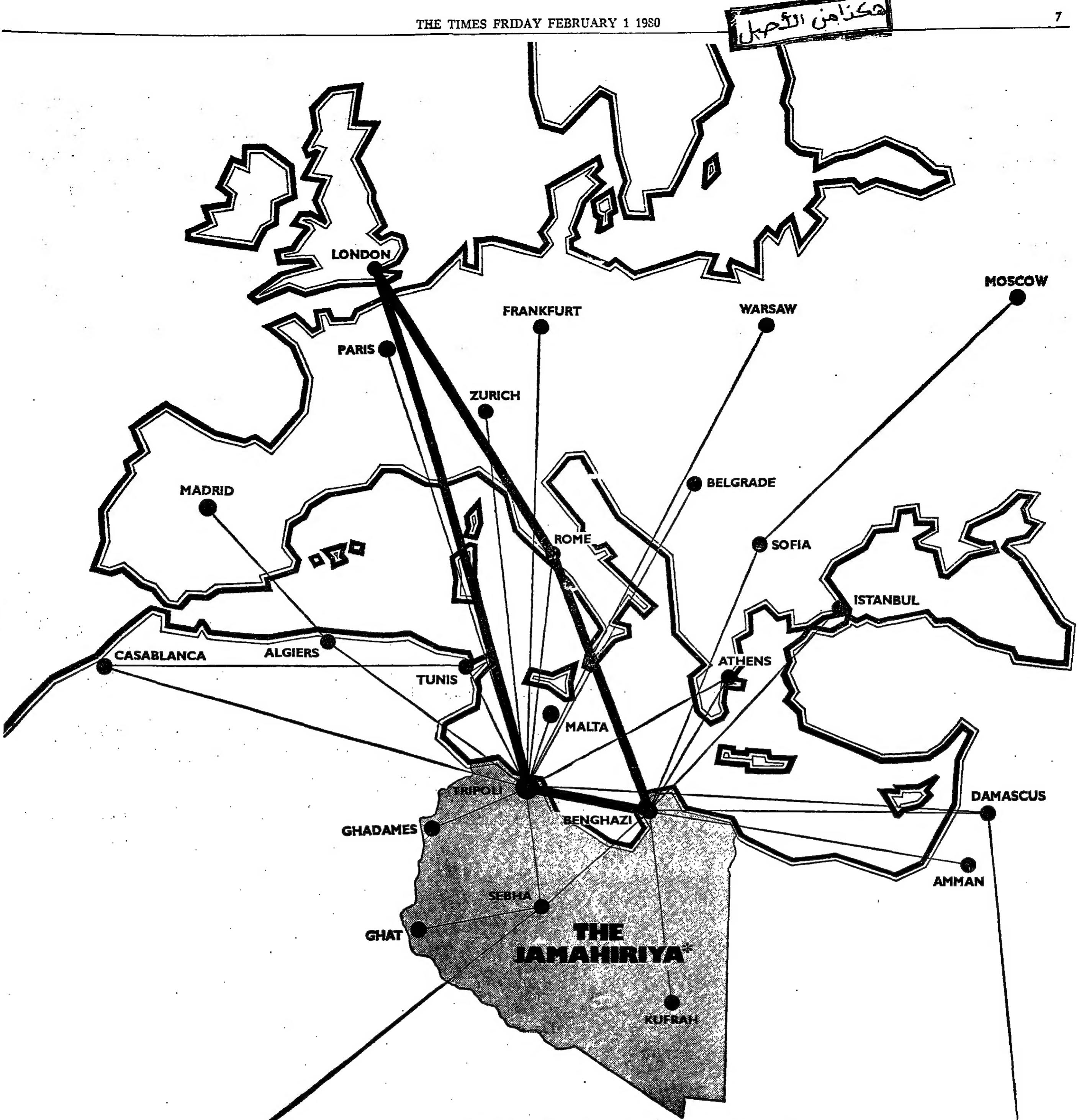


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Arr. BENGHAZI 20.05
Tues: Thurs: Sun. (LNI05)
Dep. LONDON 13.50
Arr. ROME 16.00
Dep. ROME 17.00
Arr. BENGHAZI 19.00

Jamahiriya–U.K. (Heathrow)

Daily (LNI02)

Dep. BENGHAZI 07.30
Arr. TRIPOLI 08.40
Dep. TRIPOLI 09.45
Arr. LONDON 13.05
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WEST EUROPE

Synod document obliges Dutch bishops to restore traditional methods of seminary training

From Peter Nichols

Rome, Jan 31

The Pope today signed the document disciplining the Dutch Church at the closing of the special synod and appealed to Dutch Catholics to support what their bishops had agreed to accept.

He reiterated the importance of this synod for the whole Roman Catholic Church. Their work, he told the members of the synod during a concelebrated Mass in the Sistine Chapel, had been of service to "the Church of Christ in all its universality".

It might also be seen as a model of how the Pope envisions the application of the Second Vatican Council. The synod, he pointed out, had constantly had to measure the experience of the Church against the decisions made by the bishops of the whole world at the Vatican Council.

The bishops signed the final document at a brief meeting this morning. They had already voted for it by secret ballot. It consists of 22 typewritten pages and firmly binds the Dutch hierarchy to apply the Church's teachings on such questions as priestly celibacy, the permanency of the priesthood, the distinction between the functions of priests, deacons and lay people, and a return to more traditional methods of seminary training.

It imposes official thinking on ecumenism: "Intercommunication with separated brothers is not the response to the appeal of Christ for perfect unity", it says.

The document also implies that Rome may have been in some way at fault in the Dutch dispute. It was agreed that collaboration and mutual confidence could be reinforced by complete and periodic exchange of information, by visits of the bishops to the Vatican Curia and of representatives of the Curia to The Netherlands. This would bring about a closer union between the Catholic community of The Netherlands and the Universal Church.

The bishops asked that information or accusations sent

behind their backs to the Curia should be verified through consultation with the bishop concerned or the Episcopal Conference.

The synod establishes three special commissions of Dutch bishops to consider the questions of training candidates for the priesthood, the work of lay people in pastoral activities and the Vatican's proposal for increasing the number of bishops in Holland.

A fourth commission will have a supervisory function over the whole application of the synod's decisions. Its three members will be: the French Cardinal Garrone, who has just retired from the Sacred Congregation for Catholic Education; Cardinal Willebrands, the Dutch Primate, and the Bishop of 's-Hertogenbosch, Mgr Johannes Bluyssen.

The document is ennobled in dealing with the more extreme groups in the Dutch Church, which are said to have had too big an influence on the life of the Church. Both progressive and conservative groups are mentioned.

The bishops are called on to play a moderating role in their dealings with these groups, but not to omit to point out errors of faith or discipline so that there could be true communion.

While accepting that there is a certain diversity in expressing the faith and doctrine, whether through the mass, media or publications, the bishops should watch that such diversity does not give rise to confusion among the faithful. The bishops are to provide for a sufficient distribution of the teachings of the Vatican Council and of documents published by the Holy See.

The only bishop mentioned by name in the document (except the members of the supervisory commission) is the conservative Bishop of Roermond, Mgr Johannes Giesen. He is said to have agreed to resume collaboration with the other bishops in three of the five ecclesiastical institutions from which he had withdrawn his support. The other bishops undertook to try to help him in his difficulties.

Leading article, page 15

EEC puts curbs on butter sales to Russia

From Michael Horbury

Brussels, Jan 31

Surplus EEC butter will continue to be sold to the Soviet Union but "in controlled quantities and at realistic prices", Mr Roy Jenkins, the President of the European Commission, told the political affairs committee of the European Parliament here today.

In the fullest statement so far of Commission policy on food trade with the Soviet Union after the events in Afghanistan, Mr Jenkins declined to say what limit would be put on total butter exports to the Soviet Union over the year.

He did give an assurance, however, that "in no case will there be large export deals at special prices of the type which happened in 1973". (In that year the EEC sold 200,000 tonnes of butter to the Russians at prices less than a fifth of those paid to the Community dairy farmers who produced it.)

Under a new control system approved by the Commission yesterday, renders for export of surplus butter to the Soviet Union will be considered on a case by case basis and rejected if a reasonable price is not offered. (EEC prices are at present about four times as high as those on the world market.)

Except in the case of very small quantities, no export subsidy will be paid out of Community funds to finance butter sales to the Soviet Union, whereas these subsidies will be available for sales to other destinations. The Commission does not expect any exports to the Russians in the immediate future.

In general, Mr Jenkins told the Euro-MPs, "our agricultural exports to the Soviet Union will not exceed what we judge to be traditional quantities". But he argued that trade patterns were too erratic to make it "useful to pick out a figure for a particular year, or an average figure for a period of years, and to say it represents the traditional level or target to which we should adhere".

In the case of butter, Mr Jenkins disclosed, 2,000 tonnes were exported to the Soviet Union in 1974, none in 1975 and 1976, 49,000 tonnes in 1977, 21,000 tonnes in 1978 and an estimated 140,000 tonnes in 1979. This last figure is much higher than previous estimates.

The special public meeting of the political affairs committee was called to discuss "the political consequences of the situation in Afghanistan" for the European Community. It generated much rhetoric about the iniquity of Soviet behaviour, but little agreement about how the EEC should respond.

For the Socialists, Herr Willy Brandt, the former West German Chancellor, said nothing useful to be gained by "punishing" the Soviet Union and "sending the men in the Kremlin to Coventry". On the contrary, every effort must be made to maintain the momentum of détente.

For the Conservative group, Mr James Scott-Hopkins argued that the West could not simply behave after Afghanistan as if nothing had happened. The Soviet Union had to be brought to understand that "adventures of this kind cannot be tolerated" if détente was to be lasting.

Speaking for the Liberals, Mr Cornelis Berkhouwer, from Holland, thought the most effective sanction was to move the Olympic Games from Moscow. There was little comradeship between the French and Italian Communist representatives. The Italian diagnosed a "pathological cancer" at the heart of the Soviet system immune to tolerance and reason, while the Frenchman defended the Soviet action in Afghanistan as fraternal help for an ally against imperialist threats.

The committee said it was precisely those figures who had recently supported the



A broad smile offered by one Soviet soldier passing in convoy through a street in Kabul.

Moscow 'ignored five American warnings'

Washington, Jan 31.—The United States warned the Kremlin at least five times before Christmas that a Soviet invasion of Afghanistan would set off a serious reaction in Washington, a high-ranking State Department official said here yesterday.

In general, Mr Jenkins told the Euro-MPs, "our agricultural exports to the Soviet Union will not exceed what we judge to be traditional quantities". But he argued that trade patterns were too erratic to make it "useful to pick out a figure for a particular year, or an average figure for a period of years, and to say it represents the traditional level or target to which we should adhere".

In the case of butter, Mr Jenkins disclosed, 2,000 tonnes were exported to the Soviet Union in 1974, none in 1975 and 1976, 49,000 tonnes in 1977, 21,000 tonnes in 1978 and an estimated 140,000 tonnes in 1979. This last figure is much higher than previous estimates.

The special public meeting of the political affairs committee was called to discuss "the political consequences of the situation in Afghanistan" for the European Community. It generated much rhetoric about the iniquity of Soviet behaviour, but little agreement about how the EEC should respond.

For the Socialists, Herr Willy Brandt, the former West German Chancellor, said nothing useful to be gained by "punishing" the Soviet Union and "sending the men in the Kremlin to Coventry". On the contrary, every effort must be made to maintain the momentum of détente.

For the Conservative group, Mr James Scott-Hopkins argued that the West could not simply behave after Afghanistan as if nothing had happened. The Soviet Union had to be brought to understand that "adventures of this kind cannot be tolerated" if détente was to be lasting.

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vists and the transfer of some Army staff headquarters towards the Afghan frontier.

The Administration took all these elements seriously, he testified, and expressed its anxiety to the Soviet leadership at least five times.

The final Soviet thrust was made emotionally, Mr Shulman said, to the House committee, in frustration over the successive failures of different pro-Soviet regimes in Kabul.

He said the Kremlin was not so much in search of a "warm water port" or control over the Iranian oilfields, but was mainly motivated by its determination to prevent the overthrow of a Kabul communist regime by Islamic radicals on the Iranian model.—Agence France-Presse.

Delhi, Jan 31.—President Carter's special envoy, Mr Clark Clifford, warned the Soviet Union today that there would be war if it sent troops to the Gulf from Afghanistan. He gave the warning within

hours of being told by Mrs Indira Gandhi, the Indian Prime Minister, of the need to defend the crisis.

Mr Clifford, a former Foreign Secretary, told a press conference: "We have attempted to get a message to the Soviet Union. The message is: they must know that if part of their plan is to move to the Persian Gulf that means war".

Mr Clifford, who had a 75-minute meeting with Mrs Gandhi, said his understanding was that India did not believe the United States approach to the Afghan crisis was the most effective.

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Schmidt holdup: The visit of Herr Helmut Schmidt, the West German Chancellor to Moscow is unlikely to take place in the near future because of East-West differences over Afghanistan, senior Western diplomatic sources said in Moscow.

Soviet officials had as yet made no formal approach but by obviously postponing a decision on setting a date for the visit had made it clear they did not want it at the present time.—Reuter.

Troop cuts talks: The shadow of Afghanistan loomed over the 22nd plenary session of the mutual balanced force reduction talks in Vienna (our Vienna Correspondent writes). That the rise in tension endangered the whole region.

An Indian spokesman said Mrs Gandhi told Mr Clifford that an attempt to defuse the crisis was essential to ensure a Soviet withdrawal from Afghanistan.—Reuter.

Envoy tells of plans for Shah's trial

From John Best

Ottawa, Jan 31

Arrangements are being made for an international tribunal to conduct a trial of the Shah of Iran in exchange for the release of the American hostages being held by Muslim students at the United States Embassy in Tehran. Mr Mohammad Hosseini Adeli, Iran's Charge d'Affaires in Ottawa, said today.

However, Mr Adeli implied that the plan may be set back because of the weekend episode in which six Americans were smuggled out of Tehran after being secretly sheltered at the Canadian Embassy for nearly three months.

The episode "delayed arrangements for the release of the hostages", Mr Adeli said. He indicated that the United States had agreed to a trial of the Shah for crimes against the Iranian people, and to the extradition of the Shah to Iran if convicted.

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Washington willing to help Greek re-entry into Nato

From Mario Modiano

Athens, Jan 31

The United States is considering supplying military assistance to Greece.

General Eubaker Balena, the Tunisian chief of staff, is in Washington putting the country's case to American officials.

The State Department limited itself to the comment that urgent discussions were under way, here and in Tunis, in the wake of the terrorist attack on Gafsa.

The spokesman would not say where the Americans were based, but the official Tunisian statement said, "despite the official Tunisian claim that it was mounted from Libya.

Relations between Libya and the United States have been strained since the American Embassy in Tripoli was burned by a mob last month.

The United States would supply Tunisia with a relatively modest amount of defensive weapons, such as helicopters.

Defence moves: The Tunisian Government said today it had decided to call on all the necessary defence measures needed to protect the country after Sunday's attack on Gafsa.

Details were given but sources said the move included the placing of some units of the 22,000-strong Tunisian army on alert.—UPI.

Signora Moro states in her testimony that her husband left the house with five leather briefcases. One has not been seen again, and she presumes it remained in the hands of the terrorists. She says that it was insufficiently trained and, inadequately armed.

The escort car drove habitually too close to the car in which Moro rode and on more than one occasion hit it after a sudden braking. The terrorists made use of this fact. By bringing Moro's car to a quick halt they sent the escort car crashing into its rear. In the ensuing confusion, they massacred the five guards and made off with Moro.

Signora Moro states in her testimony that her husband left the house with five leather briefcases. One has not been seen again, and she presumes it remained in the hands of the terrorists. She says that it was insufficiently trained and, inadequately armed.

The irony of these latest disclosures is that they have been made public on the eve of what was intended to be the opening of the Christian Democratic Party's national congress, which will be dealing once again with the question of Communist participation in government.

Two Milan newspapers, the *Corriere Della Sera* and *Il Giornale*, publish extracts from what is stated to be testimony given by Signora Moro to the public prosecutor and the investigating judge in June and September, 1978. Part of what appears in these classified

documents was already known, particularly the widow's bitterness against the leaders of her husband's party for refusing to negotiate with the terrorists.

The impression the extracts leave is of a man fearful for his safety and, not without reason, for the adequacy of the protection provided for him.

His chief bodyguard complained, his widow said, that the men assigned to him were

insufficiently trained and, inadequately armed.

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OVERSEAS

Israel agrees to consider proposal for first negotiating on Gaza as way to break Palestinian deadlock

From David Spanier
Diplomatic Correspondent
Jerusalem, Jan 31

As a way of breaking the deadlock on the issue of Palestinian autonomy, the Israeli Cabinet is to consider a new policy of taking the Gaza autonomy question first, leaving the status of the West Bank to be discussed later.

Mr Menachem Begin, the Israeli Prime Minister, said today that President Sadat's suggestion about looking at Gaza first would be examined shortly.

Although he said he was confident that full agreement would be reached with the Egyptians on Palestinian autonomy, Mr Begin did not think to minimize the difficulties, and noted that the mayor of Gaza had rejected the idea of taking Gaza first. If the Camp David principle was not implemented by next May, and had to be extended, there would be a pity, not a tragedy, he said.

"Self-determination is not mentioned in the Camp David agreement," Mr Begin said in an interview today. "That is not a coincidence. We don't want to play with words."

The Israeli Government would negotiate autonomy for the Palestinians as laid down in the Camp David agreement, he said. When the proposed administrative council for Judea and Samaria (the West Bank) and Gaza had been elected, the local military government and civilian administration would be withdrawn.

Self-determination meant statehood, and that would be mortal danger for Israel, Mr Begin said. "The word did not appear in the Camp David agreement. What did appear was that the Palestinians would participate in determining their own future."

"Yes, there is an agreement. The idea of autonomy is our own. We want to live with the Palestinians in human dignity and in peace. We have a period of time. Let us give it a chance." Mr Begin added that he hoped Israel was not under American or any other pressure, but if there was pressure they would not accept it.

Mr Begin said he was not suggesting that the United States join Israel's meetings with Egypt to overcome the present difficulties. "We have given a proposal that it can be accepted (in the withdrawal from Sinai). I assume if the President of the United States invited us we would accept. But I don't expect such a trip."

Defending Israeli settlements in the occupied territories, Mr Begin said Israel had "a perfect right to live in this land" and the fact of their doing so helped national security because Israelis living in Judea and Samaria could prevent plaus for terrorist activities. Furthermore, it was a positive proof that Jews and Arabs could live together.

"We do not evict any Arab from his village. The land is rocks. It has never been cultivated. No wrong has been done to anybody."

Mr Sol Linowitz is latest in line of Middle East troubleshooters

The optimistic man in Egypt-Israel talks

From Christopher Walker
Tel Aviv, Jan 31

In the midst of the prevailing gloom over the prospects for the deadlocked Egyptian-Israeli negotiations on Palestinian autonomy, the one central figure still exuding public optimism about the outcome is Mr Sol Linowitz, the latest in a line of American diplomatic troubleshooters despatched to the Middle East.

Now on his second visit to the region since being appointed last December, Mr Linowitz has quickly established a business-like, unflappable negotiating style that is as much appreciated by the participants as it is unpopular with the travelling entourage of American journalists hungry for drama.

Every inch the urbane and successful New York lawyer, Mr Linowitz has deliberately adopted the low-key approach to the Middle East problem previously associated with Mr Cyrus Vance, the American Secretary of State. In public he says little that is exceptional, but in the private working sessions, he shows evidence of considerable backroom work and much patience.

"Sol is a lawyer to his fingertips and that shows in his whole approach to the Middle East," explained one senior American diplomat. "Unlike Henry Kissinger, he makes no effort to play on the emotions or fears of the two sides. Instead, he takes the broad issues and works methodically to break them down into smaller parts on which he might get agreement."

Now aged 67, Mr Linowitz first showed his skills when he helped to build up the massive Xerox Corporation in the 1950s, later becoming chairman of the board. His main diplomatic triumph was to secure the successful negotiation of the Panama Canal treaty after 14 years of frustration and stalemate.

Long associated with the liberal wing of the Democratic Party, it was his role as negotiator at the canal talks which brought him into the

public eye. Before that he had served as representative on the Organization of American States and was an acknowledged expert on Latin American affairs.

Last year when the colourful Mr Robert Strauss was picked to manage President Carter's election campaign Mr Linowitz agreed to succeed him. His appointment coincided with the public emergence of the wide differences between Egypt and Israel over Palestinian autonomy, an issue central to the success of the Camp David agreements.

Mr Linowitz quickly made a favourable impression and overcame doubts that his being a Jew would cause problems in Cairo. "We liked his appetite for hard work and his refusal to act the showman," said one Egyptian observer today. "But there are some in our delegation who think his approach may be a little amateurish for this part of the world. After all, the Palestinians are rather different from us."

Already this week, Mr Linowitz's hand has been seen in the decision to concentrate on private meetings between the heads of the Egyptian and Israeli delegations, meeting in a Tel Aviv suburb. His stubborn optimism remains unshaken, but is seen by American officials as a negotiating ploy rather than a sign of diplomatic naivety.

Although less than four months are left to the May 25 target date set for agreement on autonomy, the American envoy is expected to stick to his "inch by inch" approach and, if necessary, extend the talks beyond the deadline.

As a strong political ally of President Carter, his present task appears to be to try and prevent any signs of crisis in the delicate Middle East peace process.

For this reason, senior American officials have been told to scotch local suggestions that any new Camp David-style summit to break the autonomy deadlock is imminent, or even under consideration.

Amnesty brands Singapore for torture of detainees

By Our Foreign Staff

An chilling advertisement of Singapore "the most surprising tropical island on earth" put since the advent of the regime of Mr Lee Kuan Yew political torture and long-term detention without trial have been used to ensure that there are no surprises on the political front.

Ironically, the arch anti-communist government of South-East Asia can bear most Soviet block nations at their own game when it comes to imprisoning opponents without trial. Singapore's three-star detainees have been in jail for the past 17 years without trial, according to a report on human rights published by Amnesty International.

In an appeal to the Singapore Government, Amnesty called on it to cease detaining people without charge or trial and to stop torture in its detention centres. It also called for the release of three leading political prisoners held since 1963, Mr Ho Piao, Mr Lee Tse Tong and Dr Poh Soo Kai, and the release from exile on an offshore island of Dr Lim Hock Siew. All were members of the opposition Socialist Front.

The report says that the Government has used its extraordinary powers of arbitrary

Helicopter link with Paris planned

From Arthur Reed
Air Correspondent
Philadelphia, Jan 31

Mr Begin maintained that the settlements issue had been played up and completely misunderstood. The settlements were not an obstacle to peace whatsoever.

The present movement of Syrian troops, numbering nearly two divisions, into southern Lebanon, was being closely watched by Israeli forces, he said.

The suggestion by Mr Andrei Gromyko, Soviet Foreign Minister, during his recent visit to Syria that Israel was considering an attack was a "complete distortion", Mr Begin said.

We must be very careful and on our guard. We do not intend to attack anyone."

New proposals: Intensive negotiations on Palestinian autonomy continued today in private sessions under the chairmanship of Mr Sol Linowitz, president Carter's special Middle East envoy (Christopher Walker writes from Tel Aviv).

A plenary session of ministerial teams from both Israel and Egypt was postponed until tomorrow, apparently at Mr Linowitz's suggestion. Instead, Dr Joseph Burg, the Israeli interior minister, and Mr Mustapha Khalil, the Egyptian Prime Minister, were talking together and separately to Mr Linowitz.

No details have been released of new American proposals being put forward to break the autonomy deadlock. But in contrast to previous meetings, both sides have studiously refrained from airing their wide differences on the issue in public.

By Our Foreign Staff
Czechoslovak police are developing a habit of picking up people for interrogation and then leaving them in remote spots in the middle of the night.

Two of the latest victims were Mr Rudolf Barnek, leader of a group calling itself Independent Socialists, and Mr Ivan Kyncl, a young photographer who, like Mr Barnek, is a signatory of the human rights document Charter 77.

Both were picked up on the evening of January 25 when police broke up a performance

of the underground "Living Room Theatre" in the Prague home of Vlasta Chramostova, a well-known actress banned from the public stage for political reasons.

After interrogation Mr Barnek and Mr Kyncl were driven separately to different points in north-eastern Bohemia about 50 miles from Prague. Mr Barnek, who is in his mid-fifties, was left in light clothing on a freezing night.

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The Soviet Embassy in Ankara said today that it had no information concerning Mr Yerevchenkov being declared persona non grata.

The pro-Peking daily *Agidulik*, reported that Mr Yerevchenkov was now stationed in Laos.

Three-crop oranges

Peking, Jan 31.—Chinese farmers in Yunnan province have broken orange trees that bear fruit three times a year, New China news agency reports.



Dissidents dumped after night raids



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OVERSEAS

S Africans suspicious of 'total stranger' appointed to head UN team of 10 in Namibia

From Eric Marsden
Johannesburg, Jan 31

Though Lieutenant-General P. G. Chand will be welcome when he arrives in Windhoek next week, there are certain aspects of his appointment as United Nations commander which give rise to suspicion. Dr Gerrit Viljoen, the Administrator-General of South-West Africa, said in a broadcast last night.

General Chand, from India, is due to leave New York tomorrow and is expected to visit Angola and Zambia before proceeding to South-West Africa (Namibia) at the head of a team of 10.

Dr Viljoen said that at the end of last year there were two "serious restraints" on the renewed momentum in international negotiations over the territory.

One was the appointment of General Chand as head of the United Nations technical assistance group, which was sent to South-West Africa, the other was a renewed decision by the United Nations General Assembly to recognize Swapo (South-West Africa People's Organization) as the sole and authentic representative of the territory's people.

These two "restraints" meant that South Africa would have to be careful and approach

future negotiations with some suspicion. General Chand's predecessor, General Hannes Philipp, of Austria, was "a mutually acceptable man". A neutral and objective person in whom South Africans had trust.

"General Chand is a total stranger in our negotiating process, and will, therefore, have to establish his credibility and trustworthiness."

Dr Viljoen also disclosed that the Namibia National Assembly, which is dominated by the multiracial Democratic Turnhalle Alliance, has taken control of the total budget for the territory.

The next important step would be the transfer of executive powers to a council of ministers, which could be completed by the middle of the year. The Administrator-General would then exercise his powers with the direction of the council.

Dr Viljoen added that the Assembly's next session would

deal with proposed legislation to establish an indigenous public service. Certain Western powers had questioned whether the internal political developments were correct in the light of negotiations for international settlement. "My standpoint is that we cannot delay internal constitutional development with an eye on the international uncertainty."

Threat to Kampuchea relief march

From Neil Kelly
Bangkok, Jan 31

Fighting now going on in western Kampuchea only five miles from the Thai border probably will stop 200 international celebrities from marching across the border with food and medicine for Kampuchean civilians. Thai military officers said today.

One officer suggested that the outbreak of fighting between Vietnamese troops and Khmer Rouge soldiers resulted from Vietnam's desire to seal the border before the marchers arrive there next Wednesday.

Among those planning to take part are Mr Alexander Ginzburg, the Soviet dissident, Mrs Coretta King, widow of Dr Martin Luther King, Mr Winston Churchill, Conservative MP for Streatham, Miss Liv Ullman, the Swedish actress and Miss Joan Baez, the American singer.

They plan to take 20 lorries of relief supplies and a team of doctors across the border. If they are denied entry they will give the food and medicine to Kampuchean and needy Thai villagers on the border.

Both Vietnam and the Heng Samrin Administration in Kampuchea have said the marchers will not be allowed across the frontier. International relief workers say the march could interrupt their deliveries of food across the border to Kampuchean civilians.

Two killed: Two Kampuchean soldiers were killed in a clash with Thai border patrol forces near the eastern Thai frontier village of Non Maknoon yesterday, military sources said. They said the two men opened fire on the Thai troops but there were no Thai casualties.

Non Maknoon is opposite a huge western Kampuchean encampment of about 100,000 people under the control of the non-communist Khmer Serei ('free khmer') guerrillas.

It is not known whether the dead soldiers were Khmer Serei or loyal to the ousted Khmer Rouge regime. Guerrillas of both groups are fighting against Vietnamese-led government forces in western Kampuchea.

In another incident on the border yesterday, 10 artillery shells fired from Kampuchea fell on Thai territory in an area about 10 miles north of Non Maknoon, the sources said. There were no casualties.

The shells were fired from the Phnom Chat area, scene of fighting between Vietnamese-led troops and Khmer Rouge guerrillas yesterday.

A Supreme Command spokesman was quoted in the Bangkok World newspaper yesterday as saying Vietnamese-led forces had seized Khmer Rouge base during the fighting.

Thai army officials along the border told Reuter the fighting was continuing today. They described the Vietnamese-led attack as heavy, but gave no other details.—Reuter.

Hint of Afrikaner backlash inhibits Botha reforms

From Gerald Shaw
Cape Town, Jan 31

The South African Parliament opens tomorrow for its 1980 session amid signs that the reformist Botha administration is running into an anti-reform backlash among some Afrikaner nationalists that could reduce the pace of change in the country.

Tomorrow's address to Parliament by the State President is unlikely to contain plans for far-reaching legislative change in any of the cornerstone statutes of the apartheid system.

Reform of the apartheid

structure will proceed for the most part by way of administrative permit and exemption so that change can be kept under tight control and even halted if the backlash in particular areas becomes too fierce for the Government's political comfort.

This system is operating, for example, in the restaurant trade, where proprietors are being told to apply for exemption from the provisions of the Group Areas Act, if they wish to serve all races.

It is unlikely that reform will go much further this session than steps on these lines—and also measures to improve the quality of life in the black townships, to improve education and job opportunities for blacks and implement cautious trade union reforms.

There are signs that conservative Nationalists, particularly the miners and the farmers, are uneasy about the reform pro-

gramme. The National Government, with Mr P. W. Botha as Prime Minister, is split into Cape and Transvaal factions, with most Transvaal MPs adamant that blacks shall never be given political rights in the central government.

The strategy of the Cape-based Mr Botha will be to put off binding decisions on constitutional change, in the hope that improved attitudes will in due course make it easier for his government to be more liberal and, ultimately, perhaps, introduce some form of political representation for urban blacks.

In the interim, Mr Botha appears anxious to consolidate the tribal areas and to persuade as many of the tribal groupings as possible to accept independence in these rural mini-states—a move which deprives the ethnic group of its South African citizenship.

Three of these tribal areas have already become politically independent but remain economically dependents on South Africa, but the Zulus, under Chief Gatsha Buthelezi, probably represent the views of most blacks in insisting upon one South African nation, with one citizenship, and full rights for blacks.

At this stage, Mr Botha remains committed to the traditional framework of "separate development" as established by the late Dr Verwoerd.

But an unprecedented debate is in full swing in nationalist academic circles directly challenging the principles of apartheid.

Poles stop work over transfer of strike organizer

Gdansk, Jan 31.—About 100 Polish shipyard workers stopped work for four hours today to protest against the dismissal of a woman who helped organize big strikes in Gdansk in 1970, a dissident group said.

The Self-Defence Committee (Kor) said that the 100 workers, a small minority of yard employees, had threatened to strike again tomorrow unless Mrs Anna Walentynowicz was reinstated.

Mrs Walentynowicz, a member of the self-styled Baltic Coast free trades union movement, has been transferred to a job outside the shipyard where she has worked for 20 years, the committee said.

Management at the yard gave a verbal promise to re-engage Mrs Walentynowicz after today's stoppage, but the workers demanded a written promise before agreeing to take no further action, the dissident group added.

Mrs Walentynowicz was one of the workers' delegates who met Mr Edward Gierek, the Communist leader, to express grievances after the strikes and riots in Gdansk in December 1970, in which at least 50 people were killed.—Reuter.

Banned Peking paper is back after 14 years

Peking, Jan 31.—The Peking Evening News, one of the mouthpieces of the anti-Maoist opposition banned during the Cultural Revolution, is to reappear on February 15, the New China news agency said today.

The daily was banned on July 21, 1966, for having published a series of articles entitled "Evening chats at Yan'an" which allowed literary figures opposed to Chairman Mao to express their views. It was rehabilitated last year.

It was very popular for its relaxed and sometimes irreverent style.

Deng Tu, the writer and journalist who died in 1966, had been the main author of the "Chats" before he was condemned along with Wu Han and Liao Moshan, literary figures at the beginning of the Cultural Revolution.

The news agency said today that the accusations made against Deng Tu were part of the "conspiracy of Lin Biao, (former Defence Minister) and Jiang Qing, (Mao's widow), to overthrow the Peking municipal party committee headed by Peng Zhen".

'Cheating' in Philippines poll landslide

Manila, Jan 31.—Allegations of harassment and cheating in two provinces and a suburb of Manila today marred the first local elections in the Philippines in more than seven years of martial law.

Opposition candidates alleged that attempts were made to prevent them taking office in these three areas by deliberate intimidation.

The Government's New Society Movement scored a landslide victory in the elections for governors and mayors and left just a few crumbs for the Opposition, voting tallies showed today.

The New Society Movement first captured Metropolitan Manila's four cities and 13 towns only hours after polling booths closed yesterday, then proceeded overnight to win almost all the 17,000 local elected posts in 73 provinces, 1,500 towns and 54 cities.

Political sources said the plethora of allegations appeared more related to local rivalry than to national policy. More in fact showed that Mr José

Lingad, the candidate for the opposition National Union for Liberation, was ahead.

In Mandaluyong suburb both sides claimed victory. The Nationalists threatened to stage a protest rally in defiance of martial law if their man was not proclaimed victor.

After hundreds of people had stood outside Mandaluyong town hall all day demanding results, the Electoral Commission ordered ballot boxes to be sent to its offices for counting, the government radio said.

However, the Swedish Government not only insists that the aid is purely humanitarian—blankets and medical supplies—but has told the Foreign Office that this should be the last sum allocated specifically to any one party during the process of repatriation.

In Pampanga, the site of the United States Air Force Clark base, former President Diocesano Macapagal alleged that armed thugs and police locked up vote counters, refusing to free them unless they declared that the New Society Movement candidate for governor, Mr Estelito Mendoza, the solicitor-general, was winning.

Early results in Pampanga

Blacks say white liberals 'lethal as snakes'

From Eric Marsden
Cape Town, Jan 31

He emphasized that these moves would stop the moment an international settlement was ready for implementation. Though a unilateral declaration of independence could not be considered, internal self-government could be "taken to the maximum point without demanding independence".

Dr Viljoen's forthright comments, which can be taken to have the full support of the South African Government, are another danger sign on the rocky road to Namibian independence.

They reflect fears that the replacement of General Philipp, who had spent many hours in detailed consultation with the South African Army commander in South-West Africa, General Geldenhuys, may be the result of pressure by the Third World majority in the United Nations General Assembly, led by the African front-line states.

The South Africans are determined not to yield to demands by Swapo that its guerrillas be given bases inside Namibia before an election, which has been one of the causes of the negotiating deadlock. General Chand is expected to discuss the feasibility of the Western plan for a demilitarized zone on both sides of the Namibia-Angola border.

FOREIGN REPORT

A country where the communities have usurped role of the state

How the system manages to go on functioning in war-torn Lebanon



Central Beirut at the height of the fighting: shattered buildings and rubble-strewn streets.

How is Lebanon possible? If the putative state is simply a political post office, bit of negotiating machinery between autonomous, well-armed and organized sub-communities, then the wider society cannot really function. If, in defiance of all logic, it nevertheless does function, we have a mystery. Lebanon seems unique. Or is it?

Of course, no doubt it does not work as well as once it did and as it could. When you compliment the citizens of Beirut on the astonishing activity and bustle of their city (parking is at least as difficult as in London, and your chances of meeting your death through carelessness driving must be considerably greater than meeting it from a Kalashnikov), they always say: "Ah, but you should have seen it before the civil war."

No doubt the activity then was much greater still, the pursuit of profit and pleasure more vigorous, and it could then flow over into the devastated central areas—some luxury, some squalor—which are now muted and partly abandoned.

But the astonishing thing is that despite all the visible and conspicuous marks of recent and latest violence, the despoiled, protracted buildings, the platforms of conspicuous firepower, of strong points and checkpoints, the splitting of the town into the Other Side and This Side life does carry on; not perhaps quite "as usual" but only because the local standards of normal, usual activity are so high.

But how does the system work? One is given various estimates of the number of independent, organized and armed communities, ranging from the familiar big groupings—Maronites, Greek Orthodox, Sunnis, Shias, Druze, Palestinians, Syrians—to a figure as high as 36.

No doubt it depends, as ever, on how you count, on whether factions are listed separately, whether territorially disconnected pockets of the same community are listed together, on whether patronage fiefs are counted singly or in alliances. The obvious fact is that everyone is in communication with everyone else. Almost symbolically, the light and telephone function well, drainage and garbage collection much less.

Car stealing is said to be rampant, but you are liable to be rung up and invited to recover your car on payment of a reasonable ransom. This would only seem to be a revival of traditional sheep-rustling, which often worked on the same principle, both sides agreeing on a reasonable compromise which compensated the raiders for the risk they had taken and allowed the owners to continue in business. The 30,000-strong Syrian Army, the Arab Army of Deterrence, is said to be involved in this activity, and postings to Lebanon are consequently much less, frightening than the alternative.

Other Arab states often work on a model in which the state apparatus is in the hands of a special sub-community recruited by a mixture of kin, territorial and patronage principles, such as the Alawites in Syria and the Sunnites in Tunisia. The Lebanese still get by, with the balanced opposition of a number of such networks, each with one finger on the tiller of the ship of state, when there is one.

Within this system, some places or institutions strain the status of intertribal sanctuary, as of old.

Alternatively, they could be swamped and submerged. It is hard to imagine the establishment of a second Israel, or on the other hand allowing the obliteration of the Maronites.

Perhaps the economic interdependence, the hope of a beckoning economic revival, also restrains those who would otherwise be tempted by either of the extreme solutions—though whether such an inhibition is still effective if fighting restarts and increases, is another question.

Ernest Gellner

Victory in fight to save the krill

The conservationists' fight to protect krill, one of the most important natural resources of Antarctica, may have been won even before battle was joined, according to a report on *The Management of the Southern Oceans* by the International Institute for Environment and Development.

The report, produced by the institute under contract to the International Union for Conservation of Nature and the World Wildlife Fund, and due to be issued later this month, examines the probable development of krill fishery as an industry and concludes that such an industry is unlikely to be sufficiently profitable to pose any serious threat to the ecology of the region.

Krill, the subject of highly technical and largely secret negotiations among the 13 Antarctic treaty powers during the past few years, is a small shrimp-like crustacean two to three inches long. Its scientific name is *Euphausia superba*, and it is probably the most important single link in the Antarctic food chain, numbering among its direct predators seals, fish, squid, baleen whales, penguins and other seabirds.

According to the report, which was intended as a consultative document for the use of the treaty powers, "many factors will determine the success or failure of the krill

fishery, but . . . a high, sustainable catch rate over the duration of the fishing season is of paramount importance . . .

The report concludes: "Overall we suggest that any potential operator considering investing in a krill factory would be looking for considerably better returns on his investment than has been indicated for the systems considered by us. This is particularly so when one considers the risk of operating in the Southern Oceans".

The Antarctic is one of the more easily defined ecosystems of the world: the Antarctic convergence, a natural oceanic boundary created by temperature differentials and currents, surrounds the continental land mass and sets off the Southern Oceans as effectively as any artificial barrier.

The region is therefore an ideal natural laboratory in which to test a political application of ecological principles on a scale that has not been attempted before.

It has long been a truism among conservationists that the relative success of international cooperative efforts in the Antarctic has been possible only because there was so little beyond 60 degrees south that anyone could possibly want. Krill, it would seem, is the exception that could prove the rule, notwithstanding the mudiness of these particular waters.

Tony Samstag

كتاب من الأصوات

William Rees-Mogg suggests a solution to the chaos on world currency markets

How the gold boom could be the key to convertibility

The world currency markets seem eccentric, and the world gold market seems positively mad. People wonder whether there is any rational basis for valuing currencies or gold, or whether one has to accept the market prices as random fluctuations. In fact world currencies are organized in a dangerously unstable system.

There are however two concepts, both derived from Ricardo, which can make sense of these relationships. One is the labour theory of value; the other the control of money supply through a requirement of convertibility. "In all states therefore the issue of money ought to be under some check and control; and none seems so proper for that purpose, as that of subjecting the issues of paper money to the obligation of paying their notes either in gold coin or bullion." (David Ricardo, *Principles of Political Economy*, 1817).

Ricardo's labour theory of value is based on the fact that almost all goods require human labour for their production; the wealth of a nation depends, as Adam Smith had already observed, on the productivity of its labour. The purchasing power of a currency is chiefly a power to purchase the fruits of labour productivity. Currencies will therefore have a balanced price relative to each other only when they purchase approximately the same amount of productivity. Work will go where productivity is cheapest; a cheap productive country must gain trade at the expense of dear productivity country, and, in a floating system, that gain must tend to raise the price of the cheap currency and depress that of the dear currency. There is therefore a tendency to equilibrium in productivity purchasing power, but that tendency can be, and at present is, contradicted by other forces.

The Dresdner bank has collected the most recent statistics for national labour costs and productivity, expressed in terms of hourly output value. These show that at recent exchange rates money buys more productivity in Japan than in

America, and much more in America than in Europe. If one calculates an index of productivity purchasing power, a dollar will purchase 100 in the United States, 121.8 in Japan, but only 79.8 in France, 72.8 in Britain and 72.6 in Germany. The pound and the DM are correctly aligned, by this standard, with each other, but are badly out of line with the dollar or the yen. They are much too expensive.

One can see how this works for Britain. American labour costs \$8.89 an hour to employ, and British labour only costs \$5.75, so the ordinary British worker is less well paid than the American, and costs less to employ. Unfortunately, American productivity is 112.5 per cent higher than British: it is more than double. So it takes the British worker two hours and seven and a half minutes to produce as much as an American produces in an hour.

To employ a British worker for two hours and seven and a half minutes costs \$12.22, or 37 per cent more than the American cost for the same productivity. This is the result of the pound's exchange rate being well above the productivity purchasing parity level. To bring the cost of British productivity down to the existing American level would require a fall in the sterling exchange rate to \$1.65, and that is on the comparison of the right rate for British trade to compete on equal terms.

It is very damaging for the dollar, which is still the most important world currency, to be so much too cheap. The European countries suffer a real competitive disadvantage. In the case of Britain, where we have other industrial handicaps, a premium of 37 per cent on our productivity cost is pushing us towards disindustrialization. Forgetting about our trade union difficulties, there is a straight cost advantage in employing Americans of a decisive kind.

There are two questions which naturally arise. Why is the pound so much overvalued? Why is the dollar so undervalued? The specific cause of the overvaluation of the

	Hourly Labour Costs \$ (Jan 1980 exchange rate)	Productivity (hourly output value) Germany=100	Productivity Purchasing Parity US=100
Germany	12.08	100	72.6
US	8.89	102	100.0
France	8.20	75	79.8
Japan	5.37	75	121.8
UK	5.75	48	72.8
(a) US\$1=DM1.73 US\$1=Fr 14.0645 US\$1=Yen239.50 £1=US2.2650			

Source: Dresdner bank, exchange rate reports. Third column calculated by author.

bound is our very high interest rates, though a more general cause is North Sea oil. High interest rates bring money into Britain and push up the exchange rate; if we are to reduce the overvaluation of sterling we shall have to bring interest rates down. That can only be done by reducing the Government borrowing requirement, which should now be a central aim of the next Budget. Because the Government have to borrow too much it is only possible to control the money supply at penal rates of interest.

The undervaluation of the dollar arises from the surplus of non-convertible dollars held outside the United States. The United States current account is strong and looks like becoming stronger. On capital account the world wants to diversify out of dollars, into other currencies, or into gold. This desire to diversify has pushed the dollar down too far and the gold price up too far.

The problem has been made worse by the increase in the price of oil, which has created a large Opec surplus. The Opec countries do not want to hold more non-convertible dollars. So long as the

dollar is not convertible it has no future reliability as a store of value. The restoration of dollar convertibility, at a fixed rate, into an external standard, would make the dollar acceptable.

Gold has had very stable purchasing power over long periods. If one takes the purchasing power of gold in Britain as 100 in 1661, the year after the Restoration of King Charles II, it was 85 in 1700 and it was 79 in 1900. In recent years as a result of the instability of the non-convertible currencies, gold has at times, as now, gone to a very large premium in terms of its historic purchasing power, but this instability arises out of floating currencies trading against gold as a commodity; no such degree of instability arises when currencies are converted into gold as a monetary standard.

The relative scarcity of gold and of labour has not changed rapidly in the twentieth century. The stock of gold and of population have grown together. In the 1920s and down to 1933, Americans were free to buy gold at \$20.67 an ounce. In January, 1920, average United States male weekly earnings in

manufacturing were \$24; in January, 1930, \$23, or just over. So in the 1920s the gold wage was just over an ounce a week in America. It was then around three-quarters of an ounce in Britain; but the pound was also overvalued then. Before the first war the gold wage averaged about half an ounce in Britain—and if it were half an ounce now the gold price would be \$200 an ounce or thereabouts; if the American gold wage were still an ounce the gold price would now be about \$300, or a little less.

In 1974 Americans were again made free to buy gold. On the first day of dealings—January 2nd, 1974—the gold price was \$185 an ounce. In January 1975, the average weekly earnings was \$181; the gold wage had returned to an ounce a week. The gold wage was at approximately that level as recently as last September. Both gold and labour had risen in price in terms of most other commodities, but they had risen together; oil had risen with them.

In December 1979, American weekly earnings were \$235, so at the current price of gold, the gold wage has fallen to less than half an ounce, and has fallen in only four months. I certainly do not expect that devaluation to be permanent, though some premium on gold is natural in a time of inflation and world crisis. The ratios of gold to other commodities, including labour, do have a tendency to reassess themselves, and the premium on gold has now become unrealistically large.

It may on the other hand be a useful exaggeration. The problem of restoring gold convertibility at fixed exchange rates—which has now become the ideal way to reduce world inflation and meet the recycling problem—has historically been that the gold price was too low, that there were inadequate reserves and a painful adjustment would be needed. Now the gold price is actually too high. A full restoration of a gold standard would not require, as in the 1920s or 1930s a fall in prices; on the contrary prices would go on rising for some years.

The problem of restoring a proper valuation to the dollar is the problem of restoring confidence in the dollar as a store of value. That is what people require of a currency held on capital account. The Bretton Woods system made the dollar ultimately convertible into gold; it broke down in the late 1960s because the gold price was held too low, and it became overwhelmingly attractive to buy gold with dollars.

The opposite is now the case. If dollars were convertible into gold at a fixed price, near the present price, the attraction would be to convert gold into dollars, not vice versa. Hoarders would be able to get convertibility plus compound interest by holding dollars. The exaggerated movement of the gold price has restored the two conditions of gold convertibility: adequate world reserves at current prices, and a gold price too high to risk an uncontrollable run into gold. Convertibility would not unfairly benefit the gold producers; it is only when gold is not money that it goes to an exaggerated price as a consequence of non-convertible currencies becoming unacceptable as a store of value.

The mechanism for restoring convertibility should indeed be extended to other currencies. An agreement on fixed rate convertibility—subject to Bretton Woods margins—between the European currencies, the dollar and the yen, with further convertibility into gold, would have a number of notable advantages. It would end the passage by infection of world inflation from one country to another. It would lower interest rates. It would permit a major fixed rate revaluation of the dollar and the yen relative to the European currencies. It would help towards price stabilization and would greatly reduce the risk of disindustrialization in Britain. What is more, there is no other way in which these highly important objectives can be achieved.

A system of floating rates, tied to nothing, is very damaging and

terrifyingly unstable. It is bad for trade as an earthquake is bad for skating. At present it has given Britain a 37 per cent overvaluation of the currency, a 17 per cent minimum lending rate and a 12 per cent rate of inflation. The combination is quite disastrous. A return to a fixed rate gold system, but with gold at a little above its current market price, is a feasible objective for economic policy.

If successful, it would eliminate the overvaluation of the pound, bring M.R.P. back well below 10 per cent and provide the opportunity to bring the inflation rate well below 10 per cent by the mid 1980s. At \$750, or whatever was chosen, an ounce would be a very high price for gold, so inflation would continue on an artificially expanded gold base, but the high price of gold would also underwrite the liquidity of the system and allow world inflationary expectations to be reduced throughout the 1980s, rather than being halted in an episode of catastrophe.

The conclusions we can reach are these. Floating exchange rates have resulted in high inflation rates, high interest rates, and in the British case, penal overvaluation of our currency. Because gold became undervalued the Bretton Woods system of fixed rates with ultimate convertibility to gold broke down in the 1960s, but the extraordinary boom in the gold price has more than corrected that undervaluation.

Gold is now clearly overvalued, probably by more than 100 per cent on a natural long-term price. That makes possible the restoration of a fixed rate, fully convertible, system based on gold. Fixed rates may have to be abandoned, but they impose some discipline. Such systems have an excellent historic record for supporting economic growth and maintaining price stability. The choice for Britain is one between inflation, depression, high interest rates and disindustrialization on the one hand, and price stability, trade stability, low interest rates and a competitive currency on the other.

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Something to bear with units of expression (10)

Jubilato *igitur*: this is the golden jubilee of flowers that turn out to be rivers; of points that mean *N*, *S*, *E* or *W*; of *Au* that equals gold. It is the anniversary of the day in which many were discovered to be *L*, *C*, *D*, or *M*, so that the clue "1,000 in 1,200" requires the answer *Maryebone* (the *M* in MCC, dumbo).

It is the day of *Erate* and the *okapi*, invaluable five-letter word beginning and ending with a vowel. All right, a *Manx* pig? Softly I creep up behind a gnarled oak to stalk the elusive *okapi*. And often times have I caught him playing sardines in look a *pit*? I find those clues hidden inside other words the hardest to see, I suppose because, on the principle of the purloined letter, they are staring me in the face.

Today is the fiftieth anniversary of the introduction of that daily obstacle course of wit that has become a national institution, The Times crossword puzzle. Number 1 was published on 1 February 1930, having been compiled by a young man called Adrian Bell, who had never solved a crossword before, let alone get one. Adrian Bell, the elder statesman of letters and king of crosswords, compiled the golden jubilee puzzle which



Adrian Bell and quill pen: "ideal job for a chap with a vacant mind".

Photograph by David Jones

man's education, rich with classical mythology. Shakespeare, Dickens, and those three tiresome little girls in the well. He assures me that the only clue to his identity as setter is his distaste for clues that chop words up like salami: "It is the ideal job for a chap with a vacant mind, sitting on a tractor harrowing clogs, or bicycling. It is a knack, like chess, of looking three moves ahead and avoiding letters that will make your life difficult later on." He is still a peripatetic crossword-composer, his eye in a fine frenzy, rolling, putting the fear of *Silenus* into strangers to the lanes around Bel.

Not all readers of The Times 50 years ago greeted the innovation with rapture (concentrating on river gives pleasure). A high-minded lass wrote from Cheshire: "I am a young woman, but I hate to see a great newspaper pandering to the modern sort of stupid ways." But the craze was as compulsive as the *(7 letters) sea whose icy current etc.* Austin Chamberlain

wrote to The Times to proclaim the legend that the Provost of Eton (school to go between two points) timed his boiled egg every morning by the time it took him to solve The Times crossword, and he was not a man who liked his egg hard-boiled. P. G. Wodehouse replied that it was "g. and wormwood" to a man who has been beating his head on the wall for 20 minutes over a single anagram to read that about the Provost of Eton and the eggs.

Since then more than 15,000 lovely flowers (Ere and Spruce come in particularly handy) have passed under the bridge in the bottom left-hand corner of the back page. Things have changed a bit. Clues have become harder and more sophisticated. "Land of Hope and Glory" is no longer acceptable for "Ruritanias"; it has been used too often. There may just be mileage left in "Land of Hope and —" answer "Ichabod" (the glory is departed, natch). The stock of quotations that Times readers are expected to know has changed, marginally. It is

possible that the rising generation is not familiar with the (historically questionable?) poem "Nebuchadnezzar, King of the Jews, sold his wife for a pair of shoes" which was the key in the golden age to the clue, "Half the price of Nebuchadnezzar's wife (3, 3)." Edmund Akenhead, the prestigious (in its original and modern sense), and mischievous editor of the crossword for the past 15 years, has made the clues fairer as well as harder. "Heraldic gold between mother and me" (MAORI), which appeared in the first crossword, would no longer pass muster, because the clue contains no reference to the finished word. He is as elusive as the *okapi*, but I will give you some clues about him. He never uses a quotation that he has to look up; he is a member of the Magic Circle; his team of 11 crossword-composers includes a major-general and a woman secretary; he likes clues that slice up a word like salami and those god-damned girls in the well. He justifies the amount of our time he wastes each day by

saying: "After reading the news, usually depressing, you owe yourself a little enjoyment and mental PT".

I know, I know: it is a frivolous waste of time, when I should be reading about the state of the economy. But I do the thing while walking beagles round the park, occasionally bumping into trees and little old ladies, when it would not be possible to read seriously anyway. One day I shall imitate my less frivolous friends, and take up embroidery, hats, socks (warm feet while praying?) 3 knees) for the vicar, which is a more useful way of passing the time. But until then, lay on Bell and Akenhead, switching on the gentry and, damned be him that first cries "Hold, enough!"

Philip Howard

The Times 50th Anniversary Crosswords is published today by Penguin Books at 85p.

MOSCOW DIARY

Jeans means scenes for the trendies

Jeans have a peculiar fascination for Russian youth. As any tourist here knows, even some wearing very old and shabby jeans is liable to be approached dozens of times and offered a fistful of roubles. The first requirement of any modish young Russian is to obtain by hook or crook—and usually the latter—a pair of genuine western jeans. They must have the label of the better known makes, and preferably be patched and faded. At any youth theatre, night club or party for the well to do, people invariably appear in their smartest clothes: jeans.

The jeans cult has led to a thriving black market. A pair of Levis can fetch anything over 200 roubles, and a complete denim suit costs about 300—almost twice the average monthly wage. Prices increase according to distance from Moscow and Leningrad, the principal sources of supply. And in a society where money has little spending power, jeans are one of the most valuable

Soviet trade organizations for not buying enough denim from those countries producing it, and for doing little research into what people wanted to wear. Jeans in fact are already produced in Hungary, Poland and East Germany, and since 1975 at least 17 million pairs have been manufactured here each year. The problem is that the fabric of Soviet jeans is so poor that nobody buys them. They lack style and the one item that determines their black-market value: an American label. The Russians, aware of this, have tried to invite an American firm to set up a factory in Moscow to produce millions of pairs of jeans a year. The makers of Lee, Levi and Wrangler jeans have been asked to submit bids for the 7.5 million dollar project.

A Soviet writer in a recent article on "jeans culture" said pupils in Moscow and Leningrad secondary schools were divided into three categories. Those in the "de luxe" class were pupils who had Lee, Wrangler or Levi jeans. Second came those who could sport jeans made in Malta or Finland, and the unlucky ones in the bottom class were those who could only get hold of jeans made in India, Poland or Bulgaria, or even, heaven forbid, in the Soviet Union.

Will it be like Songs of Praise, but without the jokes?



Bulgaria, or even, heaven forbid, in the Soviet Union.

But jeans are just one manifestation of a wider cult the Russians appear powerless to counter, imitation and admiration

suggested as an example the slogan "Atominst-B-80"—a reference to the Soviet atomic power station machinery building industry.

Russians have long had an ambivalent attitude towards the "westernization" of youth. The attitude to pop music has ranged from stern rejection to discreet acceptance and occasional aeronauts for tour here by the better known, and ideologically neutral, groups.

One reason advanced for the popularity of jeans is that official attempts in the past to link them to western culture and hypocritical attempts to appear poor and shabby have surrounded them with the aura of forbidden fruit.

But recently there has been a subtle change. The Estonian authorities have just decided to swim with the tide, and have decreed that new school uniforms are to be made of "dark-blue jeans type material that washes well". And with denim clothing becoming the official attire of pupils, the glamour of jeans could diminish, so that they will no longer be considered a status symbol or secret uniform against Soviet conformity.

Michael Binyon

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DISCIPLINE FOR THE DUTCH

When Pius IX was elected in 1846 all Europe was agog at the spectacle of a liberal Pope. It saw him, before many years had passed, turn into a scourge of liberalism, author of the *Syllabus of Errors* anathematizing the chief characteristics of the modern world, and first subject of the doctrine of papal infallibility defined *de fide*. Pope John Paul II's accession was greeted with no less interest and even wider acclaim. Now faint doubts are stirring that his pontificate may follow a comparable course.

The doubts are that, misjudging some of the strongest secular tendencies of the age to be evil or erroneous because they conflict with traditional norms and teaching, he may throw himself into opposition to them instead of making use of whatever there is in them that is good. By doing so he would, by the force of his position and prestige, lead the Roman Catholic Church into the way of rejection, with the consequent likelihood of schism, defection and loss of influence upon the minds of the great majority of mankind. Such an outcome would be clear contradiction to the Pope's personality as that has warmed those who have encountered him, however remotely, with his gravity and nobility. But it would not be wholly contradictory of his abstract moral teaching or his statescraft as those have so far revealed themselves.

Nothing has yet happened to compel that fear. Rome's mild chastisement of Fr Küng must be set beside the pleasure that

distinguished theologians take in trailing his coat. The potentially more serious proceedings against Fr Schillebeeckx are incomplete. The Synod of Dutch bishops at Rome, an extraordinary process in itself, ended yesterday on a note of firmness on the side of the Pope, but without laying upon the bishops remissory demands with which they could not reasonably be expected to comply.

By the mid 1960s the Roman Catholic Church in Holland was in a condition to which the word "crisis" was being freely attached. The spirit of aggiornamento which the Second Vatican Council let out of the bottle had a peculiarly intoxicating effect in that church. Democratic structures were adopted. A national pastoral council was set up, similar in composition to the General Synod of the Church of England but without legislative or judicial functions, which resolved in favour of optional celibacy for priests. Seminaries of the old sort were closed and candidates for the priesthood, of whom there were pitifully few, studied like other undergraduates at theological institutes within the universities. Before the publication of the encyclical *Humanae Vitae* the Dutch bishops had reached the view that for pastoral purposes it is up to the individual to decide family planning matters for himself in the light of conscience; and when that encyclical came out they did not revise their position. Daring liturgical experiments abounded.

The particular matters of discipline to which the Dutch bishops have been persuaded to subscribe—celibacy of the priesthood, its permanence, seminary training, cessation of intercommunion with "separated churches" . . . are none of them so fundamental as to have provoked refusal. The arch-conservative Bishop of Roermond has been bound over to be of better behaviour. Arrangements have been made for keeping the Dutch church in close touch with the Curia and vice versa, which may possibly be to the benefit of both. It is a strong assertion of Roman primacy, but not a brutal one. Everything now depends on how the Dutch digest it.

RHOESEA'S HAZARDOUS ELECTION

It is not surprising that after surveying the election prospect in Rhodesia, Mr Ian Smith has told his white friends that they should swing such influence as they have behind Mr Nkomo and Zanu-PF. He would hardly do so if he thought Bishop Mugoreza had any chance of winning most seats, or even coming second. It is significant that he feels he can ask the whites to help a man so many of them detest.

But Mr Smith has shown long ago that he thinks Mr Nkomo would make the best black leader for Zimbabwe—that is for a country in which whites could live tolerably. Mr Smith negotiated for months to bring Mr Nkomo in, before the Kissinger intervention; but he could not carry his party with him on any offer to Mr Nkomo that Mr Nkomo could have sold to his own wing of the Patriotic Front. Mr Smith went to Lusaka in the hope of detaching Mr Nkomo in some way from the Zanu wing of the PF, a scheme that also aborted; and in the end the Internal settlement was reached—and a much more far-reaching one under stress of events—with the Bishop, who became the first black prime minister.

Mr Smith never seems to have had much confidence in the

Bishop, and like the British Government, failed to give him the support needed to consolidate his position. He finally lost what confidence remained when the Bishop, under skilled British pressure, abandoned the white safeguards, among so much else that had been agreed as his delegation's policy; but the Bishop was then the leader, he carried his delegation, and Mr Smith proved impotent; he was hoist with his own petard. Bitterness may have entered into his words yesterday, but Mr Smith is fighting realistically the last stages of a long and disastrous rear-guard action. Moreover, it is doubtful if the whites have anything like the powers of persuasion they showed at the previous election which the Bishop won. At the end of the day white influence will be measured by the use they make of the twenty white roll seats in the Assembly.

First reports from the Ceasefire Commission show that the Zanu guerrillas are responsible for most by far of the breaches of the agreement. What this means in terms of electoral persuasion remains to be seen: the Security Council, and Mr Dayal of the Commonwealth Observers' team, seem much more concerned with the UANC auxiliaries, who

are responsible for few. The

majority in the Security Council seem to want in this situation to shoot the pianist because of reports that he isn't playing well enough. But as there is no other pianist, what the Council thinks it can achieve is obscure. The South Africans at Beit Bridge have been replaced, and even Mr Mugabe is not demanding a purge at this penultimate moment of South African volunteers now under Lord Soames' command. The Council no doubt counts on a British veto as a preliminary to a general campaign of innuendo. No note, it seems, has been taken in New York of the remarks of those Zanu party dissidents whom Mr Mugabe detained in Mozambique.

Britain's problem is to end up at the close of poll with a general acceptance by all parties that whatever regrettable events may have occurred, honours all round are about even, and that the verdict of the polls will be accepted.

Their contempt for the

opponents is a poor example to their

followers who will be tempted to emulate their lack of respect for the legal traditions of this country.

What I have written should not be taken as an appeal to restrict

people's rights to say what they think but to think before they speak

and that they should speak as responsible people with wary eye upon the knock-on effect of what they are saying.

Yours faithfully,

RAYMOND HARTLEY,
53 Belmont Road,
Bushey, Hertfordshire.

ARE THE SAVINGS THE RIGHT ONES?

January is early in the session to see the guillotines begin to fall in the Commons, as it did on the Education Bill this week. But the Opposition had mounted an energetic filibuster (it took eight committee sittings to get through the first six, relatively uncontroversial clauses, and matters went downhill from there), and in the end the Internal settlement was reached—and a much more far-reaching one under stress of events—with the Bishop, who became the first black prime minister.

Mr Smith never seems to have had much confidence in the

an assisted places scheme to help children attend independent schools. Some of these changes, the right of appeal, for instance, may go some way to offset the savings made elsewhere in the Bill.

The Government hope that £200m can be saved by relaxing the statutory obligations on education authorities to provide milk and meals for pupils, and to provide free transport for children living more than three miles from school. Instead, authorities will have a wide discretion as to what they provide and what they charge for it—though they will have to provide free food and transport (where necessary) to pupils from families receiving Supplementary Benefit or Family Income Supplement. This level of qualification will reduce by about half the number of children entitled to free meals.

Because these responsibilities are statutory, schools searching for economies have in the past repeatedly had to cut back on libraries and classroom equipment and leave the prunes and custard alone. If cuts have to be found, this is clearly the wrong order of priorities, and the Bill will enable more sensible choices to be made. The case of transport is rather different. Only a minority of children need it, but for them the expense is unavoidable and heavy. The Government has estimated its saving on the assumption

that the average fare will be ten or fifteen pence a trip, but some authorities may charge higher fares reflecting actual costs. Many of the pupils have to ride because their small country schools have been closed down, or because they attend denominational schools. A square meal a day may have no irresistible association with education, but all pupils must come and be taught, and it is not fair to make some of them pay heavily for the privilege.

The assisted places scheme, when fully in operation, will cost about a quarter of what is to be saved on food and transport. It is the most controversial part of the Bill, and many Conservatives share some of their opponents' misgivings about it. All the teachers' unions and heads' associations oppose it. The principle of helping able children receive an education that they could not otherwise hope for in independent schools is not in itself an objectionable one. The direct grant schools successfully played a similar role for many years, and without the catastrophic effects for the comprehensive system alleged against the new scheme. The policy is a party manifesto commitment. But the number of children who would benefit (about 100,000) will inevitably be small in relation to the cost. At a time when such harsh spending cuts are necessary, the scheme should not take precedence over services of wider benefit.

No need for disputes over reselection; the voters automatically reselect in each election. The Irish voters commonly demonstrate their confidence in recognized party leaders (Haughey 11,044 first preference votes, other FF candidates in the same constituency 1,900 and 1,777) but are equally free to reject them. Where I was observing the first Northern Ireland election after the restoration of PR, the Unionist voters elected three of their five candidates but the local party boss was not one of the three.

Yours faithfully,

ENID LAKEMAN,
Director,
Electoral Reform Society,
5 Chancery Lane, Southwark, SE1.

systems of industrial education for the masters and managers of factories and workshops, and that England possessed none.

A second cause was generally, though not so universally, admitted, that we had suffered from the want of cordiality between the employers of labour and workmen, engendered by the numerous strikes, and more particularly by that rule of many Trades' Unions, that men shall work upon an average ability, without giving free scope to the skill and ability which they may individually possess.

What have we learned?

Yours faithfully,

R. V. JONES,
45 Stoney Lane,
Bloxwich,
Walsall, Staffordshire.

France, Prussia, Austria, Belgium, and Switzerland possess good

regarding Britain's poor performance at the Paris Exhibition of 1867 comes from a letter from Lyon Playfair to Lord Taunton and published at Lord Granville's request in your column for May 29, 1867. Quotation at greater length would have given a more balanced view:

"Deficient representation is some

of the industries might have

accounted for this judgment

against us, but where we find that

out of 90 classes there are scarcely

a dozen in which pre-eminence is

unhesitatingly awarded to us, this

plea must be abandoned.

"So far as we could gather them

by conversation, the one cause

upon which there was most

unanimity of conviction is that

France, Prussia, Austria, Belgium,

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Economic decline

From Professor R. V. Jones
Sir, Lord Kaldor's letter (January 28) on Britain's economic decline, which he accepts as dating from the 1850s and 1860s, prompts two comments.

In 1860, the Civil Service was thrown open to competition by examination, and this was to be of a literary kind, and on subjects studied at the universities" (E. L. Woodward, *The Age of Reform 1815-1870*). This so shaped the higher civil service in its increasing part in government that it became dominated by men who, although able, had throughout their lives no knowledge of science, engineering, or the workings of industry.

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SOCIAL NEWS

The Queen will attend a special service of thanksgiving and dedication at Westminster Abbey on February 13 to mark the 125th anniversary of the Queen's Women's Christian Association of Great Britain.

Princess Margaret, Colonel-in-Chief, will visit the Royal Highland Fusiliers and the 15/1st King's Royal Hussars in Germany from March 18 to 20.

A thanksgiving service for the life of General Sir Norman Tallyrand, RM, will be held at St Lawrence Jewry next Friday, March 7, 1980. Entrances will be by ticket only, obtainable in writing, please, from Department of the CGRM, Admiralty Building, Whitehall, London.

A service of thanksgiving for the life of Sir Harry Coutess of Munster will be held at the Church of the Holy Sepulchre, Holborn Viaduct, EC1 (The Musicians' Church) at noon on Wednesday, February 6, 1980.

Birthdays today

Vice-Admiral Sir Norman Dalton, 71; Sir Sam Edwards, 72; Sir Robert Gribble, 72; Sir Douglas Hall, 71; Lord Johnston, 73; Sir Jack Lyons, 66; Sir Stanley Matthews, 65.

Menzies appeal fund on way to £500,000 target

An appeal launched last June to raise £500,000 to establish a Sir Robert Menzies Memorial Trust in Britain has so far received donations totalling £300,000, largely from large business concerns.

The trust was set up in 1978 to assist the Memorial in the United Kingdom to Sir Robert, Prime Minister of Australia for more than twenty years, who died in 1978.

It has three objectives: to provide postgraduate scholarships to Australian students in Britain; to establish a Sir Robert Menzies centre for Australian studies, initially in London and later, it is hoped, in Edinburgh; and to sponsor British postgraduate students at the Sir Robert Menzies National Foundation for Health, Fitness and National Achievement in Melbourne, Australia.

Donations may be sent to, or details obtained from, the Appeal Director, Sir Robert Menzies Memorial Trust, 2 St James's Square, London SW1.

Today's engagements

The Prince of Wales visits headquarters of General and Municipal Workers' Union, Thorne House, Esher, Surrey, 10.30.

Exhibitions: BBC Television Prince Regent production, Longleat House, Wiltshire, until 18 February; George VI Collection, Helms Galleries, 21 Portman Square, 11-5; Jack Chambers, Canada House Gallery, Trafalgar Square, 9.30-5.

Illustrations in early Hebrew printing, British Museum, Great Russell Street, 10-5; The Woodland Art Gallery, 30 Mycene Road, 10-7.30; Display of valentines, Stanley Gibbons Gallery, 399 Strand, 9.30-4.45; Guatemalan weaving and brocade, arranged by Emily Morton, Africa Trust, 28 King Street, 10-5.30; The Lord Mayor's Invincible object, Cecily Lowenthal, Tate Gallery, 1; Celtic metalwork from the Thames, David Williams, 11.30; An introduction to Pompeii and Herculaneum, Anne Pearson, 1.15; British Museum, 10-5; Russell Hall, from the Islamic revolution, Anthony Hyman, Goldsmiths College, Lewisham Way, New Cross, 7.

Lunchtime music: Organ recital by Michael Howlett, St Paul's Cathedral, 12.15; Dr Hahn, Guildhall School of Music and Drama, 1.10; Singer's workshop, St Mary Woolnoth, 1.10; Trombone recital by Paul Nieman, St Martin-within-Ludgate, 1.15.

Latest appointments

New Lord Lieutenant for Isle of Wight

Sir John Nicholson, aged 68, former chairman of the Ocean Steamship Co, is to succeed the late Earl Mountbatten of Burma as Lord-Lieutenant for the Isle of Wight. Sir John was Earl Mountbatten's vice-chairman of the standing committee of the National People's Congress and a theatre delegation from China.

Other appointments include: Air Marshal Sir Anthony Morton to be United Kingdom military representative to the Military Committee, Brussels, succeeding Air Chief Marshal Sir Alasdair Slessor; Sir N. Heath to the British Ambassador to Chile.

Dr Paul Anthony Knapman, aged 35, to be coroner for the inner west district of Greater London, succeeding Mr Gavin B. Thurston, who retires in March; Mr John Barry Barnard, aged 44, to be deputy chief education officer for the Lancashire County Council.

Professor Manoah Parkman is to be director of the Manchester Camera, succeeding Mr Syman Goldberg.

Dr George Sorlie, aged 46, to be a deputy director of the Health and Safety Executive's medical services division.

Legal

Mrs Renit Reen Davis, QC, chief Justice of Gibraltar, succeeding Sir John Farley Spry, who is retiring.

Forthcoming marriages

Mr D. W. J. Ashcroft and Miss J. S. Slock

The engagement is announced between David William Joseph, elder son of Mr and Mrs W. E. M. Ashcroft, of Rugby, Warwickshire, and Joanne Susan, eldest daughter of Mr and Mrs R. B. Slock, of Ngaoi, Wellington, New Zealand.

Mr C. R. T. Balnes and Miss A. G. Dodwell

The engagement is announced between Christopher, second son of Lieutenant-Commander and Mrs G. T. Balnes, of Iken, Suffolk, and Anne, second daughter of Mr and Mrs K. J. Dodwell, of Westbourne, Bournemouth.

Mr J. C. Brantley and Miss R. M. Hanbury

The engagement is announced between Jeffrey Constantine, of Rio de Janeiro, Brazil, young son of the late Mr and Mrs John Edward Brandy, Jr, of Alabama, United States, and Rhona Mai, only daughter of Mr Peter Hanbury, of Hill Ash Farm, Petersfield, Hampshire, and Mrs Mollie Hanbury, 208 Rivermead Court, London, SW6.

Mr M. J. H. Carslaw and Miss N. J. Hanbury

The engagement is announced between Michael, son of Mr and Mrs J. H. Carslaw, of Arkendale, Knaresborough, and Nicola, daughter of Mr and Mrs E. A. Cranstoun, of Fordell, Wanganui, New Zealand.

Mr S. R. G. Evers and Miss L. Darlow

The engagement is announced between Simon, only son of Mr and Mrs G. C. Evers, of Kenley, Surrey, and Lucy, only daughter of Mr and Mrs W. J. Darch, of Wimbledon, formerly of Guildford, Surrey.

Mr A. J. E. Cranstone and Miss J. A. Cranstone

The engagement is announced between Andrew John, son of Mr and Mrs J. S. Cranstone, of Epsom, Surrey, and Elizabeth Rosemary, daughter of Mr and Mrs E. A. Cranstone, of Epsom, Surrey.

Mr C. J. Palacio and Miss J. Darch

The engagement is announced between Colin, younger son of Mr and Mrs J. S. Palacio, of Sholing, Southampton, and Joelyne, only daughter of Dr and Mrs W. J. Darch, of Wimbledon, formerly of Guildford, Surrey.

Mr T. N. Young and Dr S. J. Kenny

The engagement is announced between Anthony, eldest son of Mr and Mrs A. J. Young, of St Anne Elisabeth, daughter of Mrs J. Johnson, of Bode Hall, Scholar Green, Cheshire.

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Mr S. D. I. Goddard and Miss R. A. Whitecourt

The engagement is announced between Stephen, eldest son of Major and Mrs David Goddard, of The Mill, Lymington, Devon, and Barbara-Anne, only daughter of Mr P. F. Whitecourt, of Cape Town, South Africa, and Mrs E. B. Whitecourt, of Elmlea, Wellow, Avon.

Luncheons

EM Government: The Speaker gave a dinner in his office at the House of Commons in honour of Mr Alecos Michalides, President of the Cyprus House of Representatives, and Mrs Michalides. The High Commissioner for Cyprus was present. Other guests were Mr John Akbar Faran, the High Commissioner for Mauritius, Mr Tom Arnold, Mr Tom Rawlins, Mr Alan G. C. Marshall, MP, Mr D. N. Winstanley, MP, Mr Michael Thompson, MP, Mr Montague, MP, Mr Alan P. P. Morris, MP, Mr B. W. Andrejevski, MC, Mr M. S. Aspin, Mr K. G. Manning, Mr S. B. Robinson, and Mr H. Hobman.

Lady Mayoress of Westminster: The Lord Mayor and Lady Mayoress of Westminster gave a luncheon at City Hall, yesterday.

The guests were Mr G. Gilhoole, the Hon Peter Brode, MP, and Mrs Brode, and Mr David, Viscount and Lady Merton, Mr Gordon Wilson, Sir Michael Havers, the Attorney General, was Prior of the Year.

Plasterers' Company: The Lord Mayor, an honorary member of the Plasterers' Company, with the Lady Mayoress and the Sheriff, were the hosts of the annual dinner of the Company held in their hall yesterday.

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Service dinner: RAF Regiment: A dinner was held last night at the RAF Regimental depot at RAF Catterick to celebrate the thirty-eighth anniversary of the formation of the corps. Group Captain D. Bolton was the host and Squadron Leader D. A. G. Bremner presided. Guests included Mr Vice-Marshall H. R. Harris, of Air Commodore A. B. McGuire.

Latest wills: Residue left to old people's council: Mrs Maria Hilda Williams, of Kenilworth Court, Hagley Road, Edgbaston, Birmingham, left £497,823 net. After personal bequests left to the remainder of her property to the Birmingham Council for Old People.

The award of merit was won by Pilot Officer Paul Gopar, aged 19, of the general duties branch. The cash of merit was presented to Pilot Officer Katherine Howie, aged 18, of the aircraft control branch.

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The British Aircraft Corporation

LAING
make ideas take shape

THE TIMES

BUSINESS NEWS

كما في الأصل

■ Stock markets
FT Index 453.3, down 4.3
FT Gilts 67.27, down 0.42

■ Sterling
\$2,267.0, up 50 points
Index 71.8, up 0.1

■ Dollar
Index 85.1, up 0.1

■ Gold
\$650, down \$40

■ Money
3 mth sterling 173-174
3 mth Euro-S 143-144
6 mth Euro-S 141-144

IN BRIEF

No Lonrho deal decision before mid February

Mr Tom Ferguson, the London representative of Gulf Fisheries of Kuwait which is in talks to sell its 19 per cent stake in Lonrho to city entrepreneur Mr Graham Ferguson Lacey, said yesterday that no decision on the deal is now likely before February 14.

The statement that talks could be concluded this week was a little optimistic, he said.

"We are still negotiating with Mr Ferguson Lacey. He has supplied us with a reference and we are satisfied that he could raise the finance required." At yesterday's closing price the stake would cost £40.8 million.

Mr Ferguson Lacey is on a business trip which includes Bermuda, New York and Washington.

Energy jump

Britain's energy consumption jumped 3.4 per cent between September and November. The leap is blamed on colder weather.

Stamp duty protest

The House Builders Federation is to press the Chancellor of the Exchequer to remove stamp duty in next month's budget from houses costing less than £35,000. The present starting price is £20,000.

Societies to merge

The Midshires and Town and Country building societies are to merge in October under the Town and Country name. The new society will have assets of £600m, making it the seventh largest in the country.

Delta redundancies

The Enfield Rolling Mills division of Delta Metal is to stop making rolled copper and brass, sheet and strip products at its Brimsdown plant in Enfield, Middlesex. It is expected that 850 of the 1,350 workforce will be made redundant.

Post Office contract

Pye Business Communications has won a contract worth £11m with the Post Office with its Philips EEX3000 computerised telephone system.

Meccano proposal

An increase in the redundancy payments for Meccano workers is to be proposed by Airtex Industries to a mass meeting at the factory in Liverpool on Monday.

China motor order

Laurence Scott, the Norwich electrical engineering company and Electro Motors have won a £500,000 order from China's 24 electric motors for four power stations.

Iran ruling postponed

A French court has postponed until February 11 a decision on an Iranian government attempt to gain the release of some \$100m from the Bank of America's Paris branch.

Dow Jones down

The Dow Jones industrial average lost six points yesterday and closed at 785.85 as turnover swelled to 65.90 million shares from yesterday's 51.17. It was the fourth heaviest turnover on record. The SDR was 1,315.74 and the ESDR was 0.580056.

PRICE CHANGES

Rises

Antidiotic
Churchbury Est
De Beers Ind
Hampton Gold
Hill & Smith

1p to 5p
15p to 45p
50p to 90p
17p to 31p
5p to 51p

Cabinet clash on spending cuts may delay White Paper

By Caroline Atkinson

Cabinet disagreement about the proposed Government's spending cuts are now threatening the timetable for the Treasury's White Paper on public spending.

The final spending decisions were supposed to be taken at a Cabinet meeting yesterday. However the meeting broke up without an agreement being reached. The discussions are to be resumed in Cabinet next week.

The Treasury has been keen to get ministerial approval for spending cuts this week, in order to make sure that the White Paper can be produced as planned, in the week before the Budget.

Ministers have been arguing about the cuts planned for the coming financial year 1980-81, and for later years to 1983-84. The discussion seems to have centred first on the proposals for the coming year. This would clearly be a very controversial step for the Chancellor to take in his Budget. He would only do it if he decided that other immediate tax cuts were more worth while than the raising of allowances.

The Government's timetable for its spending decision has been in disarray. Part of the trouble now is that ministers have reopened decisions taken last summer and autumn.

Plans for 1980-81 were first published in November last year, but have now had to be redone to some extent.

The Treasury had accepted by last week that the cuts for the coming year might have to be smaller than this, even though the full year effect would be larger.

A decision to cut the uprating in unemployment and other benefits in November will save much less in the first year, as the cut only comes into force half way through the spending year.

Yesterday, for the first time, the Chancellor confirmed officially that the Government's borrowing requirement (PSBR) for this year would be higher than forecast last November. He said it would approach £2,000m this financial year, rather than the £1,800m forecast.

The higher figure was also, if possible, reducing income tax.

A hard budget is now almost certain, with rises in indirect taxes on tobacco and alcohol. The Government could raise £900m in a full year by putting up the duties on these to compensate for the inflation since they were last raised in 1977. However, the effect in 1980-81 would be much higher than the £900m forecast for this year.

Part of the reason for the overshoot is higher-than-expected Government spending.

The Government's drive for spending cuts next year is an attempt to keep borrowing under control. The PSBR for 1980-81 would, on unchanged policies, be much higher than the £900m forecast for this year.

Medium and long-term business prospects in Rhodesia "should be excellent" said Mr Daniel Stewart, leader of the returning CBI mission.

Mr Stewart is the general manager for Central, East and Southern Africa of Standard Chartered Bank, whose Standard Bank subsidiary is Rhodesia's principal high-street clearer.

"The Rhodesians need all types of capital goods for their railways, power stations, transport and mining," he went on.

Mr Stewart said that there was stability. Rhodesia's international credit rating would be "very high". The country was very under-borrowed.

push up the retail price index significantly.

The Government needs to find a lot of money if it is to reduce taxes by more than enough to offset inflation. It will cost about £2,000m to raise tax allowances in line with inflation.

The Conservatives supported the original legislation—the Rooker-Wise amendment—which makes governments raise allowances with inflation. But, it is argued, they now advocate cutting the link between unemployment benefit and inflation.

The poverty trap—whereby those in work can have smaller incomes than those out of work—will now no longer automatically increase, if tax allowances do not go up with inflation.

Thus the Government may decide to cut the link between prices and tax allowances, too.

This would clearly be a very controversial step for the Chancellor to take in his Budget. He would only do it if he decided that other immediate tax cuts were more worth while than the raising of allowances.

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It now intends to cut spending throughout the period to 1983-84 in its plan to be published in the White Paper next month.

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Payments of \$5m 'not disclosed'

From Frank Vogl
US Economic Correspondent
Washington, Jan 31

The Securities and Exchange Commission in the United States has accused Textron Incorporated of failing to disclose \$5.5m (about £2.7m) of overseas payments between 1971 and 1978.

Mr William Miller, now the United States Secretary of the Treasury, was chairman of Textron for most of that period.

Textron has entered into a consent decree with the SEC and has agreed to an injunction it imposed by the commission. Textron said it agreed to this for "failing to disclose material information concerning payment directly or indirectly to foreign governments and employees."

These payments were allegedly made in Africa and Asia by the Bell Helicopter division of Textron. The SEC investigation was sparked off by various bribery allegations made at a United States Senate committee hearing two years ago, when Mr Miller was seeking Senate confirmation as chairman of the Federal Reserve Board.

The commission was declared moribund by the Tory Government shortly after it took office. Dismemberment, which was to prove a painful business for some, started even before the beginning of last August when most commission members, including Mr Charles Williams, the chairman, left.

Death of the commission will not be legal until the Competition Bill is written into the statute book in about a couple of months' time.

Once spread around 13 floors of the building, the commission is now down to a few rooms where a dozen people see out the twilight period. They include Mr Leslie Pincock, chairman, Mr Roger Opie, deputy chairman, and Sir Nick Larmour.

Various records are still being sorted out, some of them are destined for destruction and others, of commercially sensitive material will be filed in secret for 30 years.

At its peak the commission had a staff complement of 580 with 15 members, including three deputy chairmen. The

delay over action. "I can say that the time for consultation is over. Decisions have got to be made."

His statement will raise the spectre of man-made fibre producers who have been angered by rumours from Brussels that action will again be postponed. If it is, the Government will come under strong pressure to place unilateral action.

However, he said that difficulties facing the man-made fibre industry because of low-cost imports from the United States represented "a very special problem".

Curbs on the American imports which benefit from artificially low energy prices, will be considered at a meeting of the EEC Council of Ministers in Brussels next week.

Mr Parkinson delivered a strong warning against further

Allied clinches £21m brewery deal

By Richard Allen

In a significant rationalisation of the Scottish beer industry, Vaux Breweries is to shut its main Edinburgh brewery and sell its 214-pub Lorimer subsidiary to Mr Keith Showering's Allied Breweries in a £21m deal.

The sale which caused controversy in the City brings together two of Scotland's smaller brewers—Allied's subsidiary Ind Coope, with around 7 per cent of the beer market north of the border, and Lorimer with under 5 per cent.

Allied paid for the takeover with the issue of 29.6m shares—just under 5 per cent of its existing capital—and these were placed for Vaux in the market yesterday.

The stockbrokers' consortium handled the placing which was pitched at a fractionally below 71.5p a share, a discount of around 7 per cent on the morning opening price.

Vaux shares, suspended before the deal, rose 15p to 52p on their return, while Allied fell back 2p to 74p.

There were suggestions that some institutions, unimpressed with Allied's move, had declined the offer of new shares.

Exporters look to Rhodesian markets

By Ross Davies,
Business Diary Editor

Southern Rhodesia could be the biggest export market in Africa after Nigeria and South Africa given political stability after this month's elections.

This was a view expressed by a Department of Trade spokesman and endorsed by British businessmen in London yesterday when an 11-man CBI mission reported on eight days of talks in Rhodesia with black and white business leaders.

The CBI is now considering whether to send out a major mission, possibly led by Sir John Partridge. He is a past-president of the CBI as well as a former chairman of Imperial Group, a big buyer of Rhodesian tobacco until UDI.

Medium and long-term business prospects in Rhodesia "should be excellent" said Mr Daniel Stewart, leader of the returning CBI mission.

Mr Stewart is the general manager for Central, East and Southern Africa of Standard Chartered Bank, whose Standard Bank subsidiary is Rhodesia's principal high-street clearer.

"The Rhodesians need all types of capital goods for their railways, power stations, transport and mining," he went on.

Mr Stewart said that there was stability. Rhodesia's international credit rating would be "very high". The country was very under-borrowed.

Part of the reason for the overshoot is higher-than-expected Government spending.

The Government's drive for spending cuts next year is an attempt to keep borrowing under control. The PSBR for 1980-81 would, on unchanged policies, be much higher than the £900m forecast for this year.

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\$1,500m credits sought by Turkey

A Turkish delegation is to leave Ankara on Saturday for Bonn and Washington for talks with the International Monetary Fund and the World Bank. This follows last week's announcement of the "package of economic measures" to be taken by the conservative minority government.

The aim of the visit is to obtain credits of about \$1,500m (£650m) to help the ailing Turkish economy until the medium-term benefits from the measures are felt in about a year.

The delegation, which will include the governor of the central bank and the head of the treasury, will be led by Mr Korkut Ozal, who devised the measures which herald a more liberal economic policy for Turkey, opening it up to foreign capital in an unprecedented way.

New Hoesch furnace

Estel has given approval to a DM550m (£134m) restructuring plan for its West German subsidiary, Hoesch Hüttenwerke, involving the replacement of three Siemens-Martin open hearth furnaces by a modern continuous cast blast furnace.

German car output

West German car production will fall by as much as 10 per cent in 1980, according to Herr Horst Backmann, president of the automobile industry association. But improved export prospects will soften the effects for German vehicle producers of a downturn in the economy.

Norway oil target

Norway's annual production ceiling of 90 million tonnes of oil and gas equivalents remains unchanged in a government White Paper to be submitted in Parliament on February 8, but it is unlikely production in the 1980s will exceed 70 million tonnes.

Toyota changes policy

Toyota, Japan's largest car maker, and its sales arm are considering a reduction in knock-down production of passenger cars in Portugal and Ireland because restrictions on car imports are being relaxed.

Peru loan moves

Peru is to raise about \$1,000m in credits for mining, transport and agricultural projects in the wake of the nation's economic recovery. Señor Javier Silva Rute, the finance minister, announced.

US budget fears

Fears that President Carter's projected budget deficit of \$16,000m for fiscal 1981 could nearly double to \$30,000m were voiced in the House Budget Committee.

Belgian production up

Belgian industrial production rose by 1.8 per cent in November compared with October, but was down 0.4 per cent on the previous year.

Danish decline

Danish industry is forecasting a decline in the first quarter of 1980 compared with the last quarter of 1979. Employment and incoming orders from home and abroad will fall.

Hoechst raises prices

Hoechst is to raise its European "Hostafon" fluoroplastic prices by between 10 and 15 per cent in February because of increases in raw material and energy costs.

Middle East growth

The Middle East will have the fastest growth in the world this year because of its oil revenue, in contrast to the West which is sliding into recession, according to the Committee for Middle East trade.

GARFORD-LILLEY INDUSTRIES LTD

INTERIM REPORT

The Directors announce the unaudited results for the half-year ended 30th September, 1979, as follows:

Half year to 30.9.79	Half year to 30.9.78
£ 2,876,562	£ 2,303,765
Group Profit, before taxation	240,355
Taxation	193,225
	124,985
Profit, after taxation	115,370
Earnings per share	92,748
	1.75p
	1.41p

The Directors have declared an Interim Dividend in respect of the year ending 31st March, 1980, of 0.5p a share (1979-0.175p), absorbing £16,482, payable on 19th March, 1980, to shareholders registered at close of business on 2nd February, 1980. The interim dividend has been increased in order to reduce the disparity between the interim and the final and does not imply an increase in the total distribution for the full year, which will be considered when the final results are known.

The results for the first half of the current year are encouraging in respect of all activities and might have pointed to a very satisfactory increase in profits for the full year. However, both the effects of the steelworkers' strike must have some indirect adverse effect on operations in the second half, and, whilst the Plastics and Woodworking Divisions did well in the period under review, it may not be possible to maintain the same progress because of the unsettled conditions prevailing, particularly in the consumer trade.

Because of these circumstances it would be unwise to forecast how the Group will fare at the end of the financial year, but the Directors hope that, in spite of the many problems, the steady trend of progress of recent years will be maintained.

New chairman tackles problem facing America's largest steel company

US Steel's losses signify turnaround

US Steel, the largest American steelmaker, ended 1979 in red ink, the result of the November decision to close all or part of 16 plants and to lose about 13,000 jobs.

The red ink is good news to industry experts who have long argued that US Steel needs to make large economies to restore its operations. The red ink indicates that the reworking is under way, and that Mr William R. Roesch is firmly in control of the steel operations.

Mr Roesch, 54, was a coalmine mechanic and he rose to head two large steel companies before he became president and chief operating officer of US Steel last year. He is overhauling the company's steelmaking operations.

The plant closures are only the most visible part of his plans, which include a redrawing of lines of authority, a softening of the company's bitter resistance to environmental regulations, and emphasis on the quality of steel products rather than on their quantity.

Customers are sceptical that US Steel, which recently has been emphasizing diversification, will commit the resources necessary to improve significantly its steel operations. Many observers believe that Mr Roesch's biggest problem will be overcoming the ingrained attitudes that got US Steel into trouble.

"There's an attitude in the steel industry that says, 'if it worked last year, it will work this year,'" says an industry economist, "and US Steel personalities that attitude.

From 1974 to 1978, when the steel

industry's average return on equity was 10.1 per cent, US Steel's was only 8.6 per cent.

Although US Steel is by far the largest American steelmaker, with more than 20 per cent of the domestic market, its plants are the oldest in the industry and its productivity lags behind the rest of the industry.

Mr Charles Bradford, an analyst at Merrill Lynch, Pierce, Fenner and Smith, calculates that during the five years to 1978 US Steel's employment costs in steel averaged about 40 per cent of steel sales. That is better than America's second largest steelmaker, Bethlehem Steel Corp, which has an average of 42 per cent, but is much worse than the 28 per cent to 34 per cent range of other steelmakers.

The root of US Steel's problems seems to be a long-standing resistance to change. As the economic and political circumstances facing the steel industry have altered over the past 20 years, US Steel has failed to adapt as well as other steelmakers. That is why many observers see Mr Roesch as the key to US Steel's recovery.

He has already changed US Steel's attitude towards environmental regulations. Meeting environmental standards has been the steel industry's biggest problem in the past decade; cleaning up steel mills is technically difficult and expensive. None of the large steelmakers has moved quickly to comply with environmental regulations over the past 10 years, but US Steel's opposition was particularly bitter.

Settling some of the company's differ-

ences with the EPA enabled Mr Roesch to undertake, in the second quarter of 1979, a plant-by-plant study of US Steel's facilities. The result of that study was November closures.

The move will rid US Steel of unprofitable operations; it will allow the company to make better use of the surviving facilities and to concentrate future capital spending on modernizing plants. US Steel has also abandoned its habit of ignoring foreign technological innovations.

The example of the company's "invent-it-here" syndrome most often cited by industrialists is the design and construction in the early 1970s of a big blast furnace at US Steel's Gary, Ind., works.

The Japanese steel industry had been building and operating such furnaces for some time, but US Steel apparently sought only minimal advice from the Japanese before designing and building the number 13 blast furnace at Gary.

But last summer, Mr Roesch called in experts from Nippon Kokan KK, one of Japan's largest steelmakers, to look at the furnace and suggest improvements.

After six months of rebuilding that cost nearly \$100m the furnace was restarted. Once it is broken in, US Steel predicts it will produce 7,500 tons of iron a day. The company also signed a contract recently with Sumitomo Metal Industries of Japan that calls for Sumitomo to provide technology to help US Steel's ailing plate and pipe mills in Baytown, Texas.

Douglas R. Sease
AP-DOW JONES

New Govan Shipbuilders production targets

By Peter Hill

New production targets are to be negotiated at Govan Shipbuilders in an attempt to raise productivity and enable the yard to secure new orders.

Senior executives of British Shipbuilders are working on the new targets, which will be the subject of negotiation with workers. Mr Eric Mackie, the new chairman of Govan Shipbuilders, disclosed yesterday at a press conference that if the company were to achieve its financial targets it would require the full cooperation of the entire labour force.

"I did not come here to close Govan down but to make to pull out every stop to do that," said Mr Mackie, who was appointed after the unexpected dismissal of Mr Archie Gilchrist, the previous chairman.

The company has two of its Cardiff-class bulk carriers on order and is completing work on six of the ships pieced with the yard in the controversial Anglo-Polish shipbuilding deal.

The Polish ships are due to be delivered by May and all are at present on schedule.

Mr Mackie reported that Govan was seeking orders from Hongkong, Greece and Canada covering a range of ship types from bulk carriers and products carriers to liquefied gas tankers and ferries. The company also plans to bid for engine construction contracts on the basis that many shipowners with steam turbine vessels are now beginning to consider the possibility of converting propulsion units to diesel power because of rising energy costs.

Meanwhile British shipbuilding expertise is being used to promote the development of shipbuilding in Mexico.

A & P. Appledore International, the British shipyard consultancy company, has been appointed lead consultant for the development of a major new shipyard at Veracruz, which is costing \$100m (nearly £45m) and will employ 3,200 workers.

Although the new technology products are novel smuggling items the imagination of the smuggler has been tested in virtually every area of consumer produce. The report lists 230 two-way radio transmitters, 352 flick knives, counterfeit coins, and a number of live animals and birds

Customs and Excise complains of gross understaffing

By Peter Hill

The Customs and Excise is finding it increasingly difficult to fulfil its functions, according to its 70th annual report, published yesterday under the chairmanship of Mr Douglas A. Lovelock. The report is unambiguous in emphasizing that these difficulties will be increased by the Government's decision to reduce expenditure on the Civil Service, which has required a searching examination of all the department's tasks.

The report continues: "This may lead to a reduction in some less essential tasks and, in particular, it may not be practicable in future to meet all trade requests for new or enhanced facilities which would require additional staff."

The department is in no doubt that its 28,870 employees are grossly understaffed in its traditional areas of smuggling prevention and also in new ones, recently acquired, for example, its responsibility for the collection of VAT.

In the more traditional areas of smuggling the high value of consumer items, particularly stereos, has encouraged a new spate of customs evasion. The report says: "We continue to detect a large number of attempts by private individuals to smuggle a wide variety of goods of which hi-fi equipment, jewelry and furs remain predominant items".

Although the report refers to the period between March 78-79, before the erratic behaviour of gold, its attraction as a traditional item for the smuggler had not diminished. According to the report there were frequent occurrences of cases involving the smuggling of gold ingots, computer parts, antiques, moulds, car interiors, tobacco products and spirits.

Another principal source of revenue was VAT. The report says that under the new regulations for VAT—where the ceiling on turnover was raised from £8,500 to £10,000—14,000 VAT arrests totalled.

Referring to the latest trends to emerge from the CBI's monitoring of pay settlements he said the average of 13.7 per cent settlement was far too high without adding to production.

Over 1,000 arrests totalled in 1978, resulting in 107 prosecutions and 103 convictions.

Over the year the prosecutions against traders for failing to make VAT returns increased by 15 per cent to 5,415 cases of which only 12 were not convicted.

Despite the evasions the total Customs and Excise revenue increased by 12.1 per cent over the previous year to a total of £13,780m, an administrative cost of £219.6m or 1.55p for every £1 of net revenue.



Mr Douglas A. Lovelock: Customs grossly understaffed.

CBI chief criticizes 'buy British' campaigns

By Peter Hill

Industrial Editor

Defensive marketing campaigns, similar to British Leyland's recent, launched "Buy British" drive came under fire yesterday from Sir John Greenborough, president of the Confederation of British Industry.

"A lot of people are moving towards buy British campaigns which I would say to them a strong 'no'." Instead I would like to see British industry launching a campaign directed towards making and selling British.

Sir John, who was speaking at a luncheon organized by the Anglo-German Chamber of Industry and Commerce in London, said there was nothing fundamentally wrong with British business, but he stressed that a fundamental change in attitude was required from the boardroom to the shop floor.

He appealed for an end to reference to the two sides of industry and its replacement by a committed team. Government policies had provided industry with greater freedoms where motivation and incentives had become the bywords and industry had to show that anything wrong was capable of change.

However, change would not be a painless experience—as the current strike at the British Steel Corporation illustrated.

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There is no mileage to be made out of this terrible steel strike, it is costing the BSC £10m a week. The steelworkers are making a noise for themselves by throwing away this year's pay rises in return for next year's job losses and the longer it continues the more jobs will be lost elsewhere," he said.

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The investment company, officially registered in Luxembourg with head offices in New York, has 230 banks and industrial companies as shareholders. Its stated purpose is to promote industrial development in Latin America through equity participations and loans.

Adela, which promotes industrial developments in Latin America, has a DM70m Eurobond outstanding with three years to run. A German business newspaper suggested that a default by Adela on the bond could cast a cloud of doubt on Latin American borrowers and the Eurobond market in general.

Dresdner Bank quickly issued a statement today that it had received assurances from Adela that the public bond issues (Adela has a floating rate dollar issue outstanding as well as the Deutsche mark issue) would not be affected by the reorganization. Payment of interest and principal were to follow additional labour.

Shipley has bought a 3.5 acre site on the Binley industrial estate three miles from its present works. A contract for the first stage has been awarded to the Wolverhampton-based Tarmac group.

Mr Alan Billinghurst, operations director for Shipley, Europe, said: "We have only two plants outside the States, a small one in Japan and a much bigger United Kingdom operation. Since we set up here ten years ago we have become the major supplier to West and East Europe. At the present rate of growth we anticipate that we shall have to start work on the second phase expansion in about four years' time. We shall be relinquishing the existing premises altogether."

It has been clear for some time that Adela was in difficulties.

Dealers generally find it illogical that Adela's troubles should reflect on other South American issues but it remains to be proved that Adela's loan problems lie in bad management and do not indicate a wider-ranging payments problem.

Adela has brought a symbolic value for the role of capitalism in such development.

It has been clear for some time that Adela was in difficulties.

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BY THE FINANCIAL EDITOR

Allied gambles on Scotland

Allied Breweries must seem like a fairy godmother to Vaux Breweries' shareholders. Until yesterday, Vaux had two nagging problems. First, it was a little stretched for cash with short-term borrowings amounting to perhaps £6m out of a total of £15m. Second, its Lorimer operation north of the border was an increasing burden with a pitiful annual return of around £1.5m and was being squeezed by market giants Scottish & Newcastle and Bass.

Both problems have now been solved. The £21m Allied is effectively putting up through yesterday's placing will remove the short-term borrowings and leave cash to spare for Vaux to spend on its strengths as a north country brewer and hotels group.

Not surprisingly the market was unconvinced that the deal is a good one for Allied. Cazenove completed yesterday's placing in under two hours but despite the 7 per cent discount it was not plain-sailing.

Allied's problem in Scotland was similar but worse than that of Vaux. Its Alloa brewery has never come back to full capacity since the long strike of 1977 and with only 7 per cent of the market the Ind Coope subsidiary was facing a similar squeeze from the majors.

The alternative to yesterday's deal may have been withdrawal from Scotland, so perhaps Allied is right in the long-run to take a bold gamble on establishing itself as a third force in Scotland with between 10 and 12 per cent of the market. Meanwhile, by plugging in Vaux's 214 Scottish pubs to distribution from Alloa, the Ind Coope brewery will at least have a chance of reaching full capacity once more.

In the meantime, however, the move has been seen by the market as a further blow to Allied's credibility, following the 17 per cent interim profits fall to £58.6m. The shares slipped back 21p to 74p where the prospective yield is over 9½ per cent.

Vaux shares climbed 15p to 152p, which seems cautious given that even straight investment of the cash could boost profits 25 per cent this year.

Eurocanadian

Manoeuvres by Mr Narby

Just about every pronouncement emanating from Canadian shipping entrepreneur, Mr Frank Narby serves to confuse rather than clarify. So it is with Eurocanadian Shipholding's agreement in principle to sell its 37.6 per cent of Manchester Liners to Canadian National Railways.

On the surface the deal has much to commend it. Mr Narby wanted Manchester Liners in 1976 but Furness Withy, the controlling shareholder, refused to oblige. Thereupon Mr Narby bought into Furness, and got his stake up to 25 per cent. The Monopolies Commission told him to lower this to 10 per cent by December 28, 1979. This seemed to thwart Mr Narby's design of merging ML's North Atlantic container trade with Eurocanadian's.

By selling to Canadian National Mr Narby has ostensibly got out of the impasse of being locked into ML but unable to influence its controlling shareholder. CNR is a big user of ML's services and is a natural partner.

But Furness is still, it seems, on the hook. Mr Narby is known not to want to sell his Furness stake at "acceptable" prices, but the moment he tries to use the stake to win board room representation, the Office of Fair Trading will deprive him of his votes.

Some say that Mr Narby is not finished with Furness. With yet he has shares, up 3p to 244p, yesterday, backed by book assets of 447p. Business is better than in the first half of last year when the group shocked institutional shareholders with a pre-tax profits collapse from £5.7m to £901.000. But without a bid, the shares are dear.

Oil

Valuing BNOC

Rising oil prices have increased the speculative element in energy stocks such as LASMO, Cluff Oil and Aran Energy, to

such an extent that it is difficult, even on the best expectation of finds and reserves to justify the prices on the basis of underlying assets. Sooner or later this bubble is bound to burst. The small North Sea groups offer tax advantages from exploration and development expenditure to a bidder, and with the Conservative Government determined to get maximum privately owned British interest into the seventh round of licensing, there is every chance of their making a killing on the back of a foreign multinationals.

But the oil market itself is beginning to look very oversold. The last round of price increases by the Gulf States was made against a background of sharply falling spot prices. If the hawkish African producers raise their prices, they could find their buyers calling their bluff and holding off.

For the British Government the question is whether it can get its sale of the British National Oil Corporation's North Sea interests under way while interest in North Sea stocks remains at a peak. Hoare Govett's latest analysis puts the value of BNOC's equity interests (with a very small allowance for exploration acreage) at \$2.3bn, which, if 33 per cent were sold off, would raise just under £700m to reduce the PSBR. That valuation is on the basis of an average 1980 price of \$31 a barrel and a dollar price rise of 10 per cent a year thereafter.

This week that looks a perfectly reasonable assessment, but at the earliest with the legislation that needs passing a sale will do well to be fitted in before the 1981 Budget. By then we could be nearly through the coming short recession, and oil prices may not have softened as some expect, but from the public's view, of course, it will be best to buy when the froth has settled. Over the next decade the BNOC offer should be one of the best opportunities to hedge against currencies and inflation.

Copper

At a six year peak

Base metals, especially copper, are booming in the wake of high precious metal prices. But it is hard to find a rationale for the present hectic market activity. Copper cash wire bars closed last night in London at £1,321 a tonne, and all the indications are that prices could go higher.

It is not the first time that a commodity boom has preceded a recession—the same thing happened in 1973-74. But this time prices are even less justified by fundamentals. Consumption last year was 7.4 million tonnes, while production was 7.1 million tonnes. The difference was met from stocks, which were 126,500 tonnes on the LME at the end of 1979, compared with 373,700 tonnes a year earlier.

But stocks are not particularly low by historical standards, supply and demand this year are expected to be balanced, and recent research suggests that mine capacity will soon be much bigger than previously thought. Above all, the strength of industrial demand is very uncertain.

These basic factors would normally determine the price. Now, however, speculative demand seems to be so powerful as to upset the old assumptions. Earlier precious metal booms have brought base metals up with them, but this time the scale of the operation is far greater. Whether oil revenues are finding their way into copper is almost immaterial. What counts is that buyers in London and New York believe that they are, or will.

Some justification for the price may be found in higher defence budgets and talk of the United States economy expanding in the second half. It is also true that copper prices tend to rise in the first six months of a year. Nevertheless, the market does not take these influences seriously, pointing out that the speculation began before President Carter committed himself to re-armament. The only question at the moment is how long speculative pressures can sustain prices at what must be seen as artificial levels.

The price of the eight large power stations being built for the Central Electricity Generating Board has gone up by more than £2,000m since work began. Of this increase, almost half is blamed by the board on delays caused by poor industrial relations, design changes and problems in materials delivery. Inflation accounts for the rest.

The most recent projections put the final cost of the programme at £3,600m at today's prices. The ultimate bill will be further increased by inflation and interest charges during construction which, on one site, continues at least until 1986.

The board acknowledges that the financial burden has become such that early commissioning of the stations now represents the largest single contribution which could be made to containing its overall costs.

Only Drax B, where work began a year ago, is on schedule. The longest delay is at Dungeness B, a nuclear plant, where work began in 1966. Completion was originally due in 1971. It is now expected next October. Over 14 years it is estimated that it will have costed from £530m to £530m.

The accompanying table, provided by the CEBG at the request of *The Times* indicates the size of the problems caused by the construction industry's lamentable performance on power station sites over the past decade.

This has been highlighted by the latest in a series of disputes at the Isle of Grain site where a long-running strike by a small group of liggers (the men who insulate pipes and boilers) threatens to bring all work to a standstill for the second time in its history. Grain is now expected to be finished four years behind schedule at a final cost of £556m. The original estimate was £209m.

The CEBG says that the problems associated with large construction projects where 10,000 hourly-paid workers are employed, now seem endemic. Construction of chemical complexes has been similarly blighted by the industry's inability to deliver the goods on time and to time. The BP/ICI joint venture Olefines 6 complex on Teesside came on stream last

The soaring cost of building Britain's power stations

PLANTS UNDER CONSTRUCTION

Station	Type	No. of units and design capacity	Year of start	Estimated first unit complete	Estimate final completion	Original estimated completion	Present estimated completion
Hydro Plant							
Drax B	coal	3 x 660 MW	1973	£685m	1980	1983	1986
Coal and Oil-Fired Plant							
Grain	oil	5 x 660 MW	1971	£209m	£556m	1979	1983
Hinkley Point B	oil	2 x 500 MW	1972	£109m	£245m	1977	1982
Littlebrook D	oil	3 x 660 MW	1973	£163m	£485m	1981	1983
Nuclear							
Dungeness B	Advanced gas-cooled reactor	2 x 660 MW	1966	£89m	£410m	1971	1981
Hartlepool	Advanced gas-cooled reactor	2 x 660 MW	1966	£292m	£381m	1974	1982
Heysham 2	Advanced gas-cooled reactor	2 x 660 MW	1970	£142m	£396m	1978	1982

November more than two years behind schedule and, at £200m more, twice the original estimated cost.

The CEBG is, appreciative as it contemplates a future nuclear programme which will involve ordering at least 10 stations in the decade from 1982.

The Government is also concerned because the record on power station construction may be a deterrent to investment in large process plant projects in the United Kingdom. International comparisons carried out by the National Economic Development Office (NEDO) have shown that performance on overseas sites is far better.

In its latest annual report, the CEBG blames the delays on low labour productivity on site, poor industrial relations and squabbles over leap-frogging pay rates. The diagnosis is undoubtedly accurate but it adds little to a debate on large site performance that has been going on for a decade or more.

This disclosed that on multi-contractor sites, earnings, conditions and fringe benefits were subject to enormous disparities.

They merely provided the starting point for a haphazard local

amalgamation and much ill-feeling.

Despite strenuous efforts on the part of the CEBG to improve site management, relations have been made more difficult, as the board recognises, by high unemployment in the construction industry (which makes workers reluctant to finish a job), the trend towards longer holidays, and unofficial pressure for a shorter week.

No single party has been to blame. Workers (and sometimes their unions) have on occasions shown bloody-mindedness; contractors have lacked the management ability to organize large and transitory workforces, and clients—of which the CEBG is one of the largest—have dithered over design and encouraged contractors to buy themselves out of trouble (thus making a mockery of agreements).

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large construction projects

are endemic.

Construction

is being delayed especially

on the advanced gas-cooled

reactor plants.

Some

prompted by safety considerations.

But at Heysham and Hartlepool progress was set back two years by alterations to the holes.

In 1978, a CEBG study of

progress—or lack of it—at

Dungeness, ascribed 23 months

delay to labour and produc-

tivity problems, and 47 months

to technical design and safety

measures.

Examples of each of these

shortcomings may be found in the CEBG's power station pro-

gramme.

None of the eight sites has

been completely free of labour

problems. Grain has had a

poor record despite the at-

tention and money devoted to site

amenities following the NEDO

negotiations.

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strenuous efforts on the part of the CEBG to improve site management, relations have been made more difficult, as the board recognises, by high unemployment in the construction industry (which makes workers reluctant to finish a job), the trend towards longer holidays, and unofficial pressure for a shorter week.

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the CEBG blames the delays on

low labour productivity on site,

poor industrial relations and

squabbles over leap-frogging

pay rates.

The CEBG says that the

problems associated with

large construction projects

are endemic.

Construction

is being delayed especially

on the advanced gas-cooled

reactor plants.

Some

prompted by safety considerations.

But at Heysham and Hartlepool progress was set back two years by alterations to the holes.

In 1978, a CEBG study of

progress—or lack of it—at

Dungeness, ascribed 23 months

delay to labour and produc-

tivity problems, and 47 months

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Light selling gives way to firmer tone after hours

All major sections of the Stock Market ran for cover yesterday as buyers retreated, uncertain in which direction the next move lay.

Jobbers seemed quite content to mark prices lower just in case the gloomy rumours flying around suddenly meant a surge in selling. But in the event selling proved light and by the close prices in both equities and gilts were off the bottom.

Dealing had resumed on a fairly firm note, despite the speech on interest rates by The Chancellor which some had interpreted as being gloomy, and some solid buying had been encountered. This had been on the back of some unconfirmed rumours that the Russians were making plans to pull out of Afghanistan.

As a result, equities and gilts fell back on a broad front accompanied by gold shares and oils as the bullion price tumbled £10 to \$650 an ounce.

At the longer end of the market in gilts falls of around £1 were not uncommon which was generally the low point of the day. Shorts experienced some good two-way business and by the close were showing about £1 of the bottom with falls of between £1 and £1.

The tone in equities after hours was slightly firmer, al-

though most still showed losses on the day. This was borne out by the FT Index which after opening 3.9 up at 10 am went on to fall 5.4 at 3 pm before closing 4.3 off at 453.

Rumours of a drug-price war had an unsettling effect on leading industrials which moved easier before making some attempt to rally by the close. Reports that Roche was about to cut its prices prompted 7p fall in Beecham at 124p which in turn left Glaxo 10p lower at 478p. Falls of 2p were noted among ICI at 383p, Unilever at 462p, Fisons at 248p and Reed International at 197p.

Recent comment on the trading statement from Allied Down Under some say that CRA and Western Mining are eyeing North Broken Hill. The shares were firm at 165p yesterday. North Broken Hill's interests include 16 per cent of Alcan Aluminium is booming.

The placing of 29m shares of Allied Breweries at 71p by brokers Cazenove was another contributing factor to the market's decline and in particular to the drinks sector as a whole. The reason for the placing was to raise £21m for the Scottish interests of Vaux Brewery, suspended temporarily at 9.30 am, which leapt 15p to 152p. The markets re-

action to being swamped with so much paper resulted in the shares dipping 23p to 74p. This in turn directed attention to Davenport Brewery, a speculative stock of late, 3p up at 153p. But it had an adverse effect elsewhere with Bass Charrington 6p down at 203p. Among companies reporting, Louis Newmark climbed 1.7p to 250p after sharply higher interim figures, while a company chairman's statement lifted Hill & Smith 8p to 51p.

Recent comment on the trading statement from Allied

Textile provided a 7p fillip at 96p and continued interest among the two fine art dealers left Sotheby Parke-Bernet 15p higher at 485p and Christie International 4p stronger at 175p. Interest also continued in Caffyns following the increased shareholding by BCA—1p easier at 64p—and the shares improved a further 5p to 177p. News of the sale of its German subsidiary boosted "W" Ribbons 6p to 30p while speculative demand in a thin market saw Steel Bros rise by 11p to 154p. But profit taking by ACM.

Electricals manage to recover some earlier losses as a result of profit taking, with most reporting net gains on the day.

Decca rallied 10p in the ordinary to 390p and 2p in the "A" at 334p, while its stable mate Racal improved 2p to 238p as did GBC at 356p.

Ferranti, however, encountered profit taking, after Wednesday's sharp rise, dipping 5p to 467p but among second liners Electrocomponents rose 3p to 491p and Unitech advanced 8p to 250p.

Some operators are selling North Sea holes in the sea stocks as hard as possible. Gold and the spot price of oil are softening together, there are huge profits to be taken, and only some holes will be found to have oil at the bottom.

Electricals manage to recover some earlier losses as a result of profit taking, with most reporting net gains on the day.

Blundell-Permoglaze climbs 23pc to £2.2m

By Our Financial Staff

Blundell-Permoglaze Holdings makes paint for the trade. It has carefully steered clear of the temptation to make own-brand products and from the once-glamorous do-it-yourself sector.

Seventy per cent of its business is based in decorative paints and sales of these to wholesalers, big contractors and local authorities helped lift profits for the year to the end of October last 23 per cent to £2.2m on a turnover increased from £18.9m to £20.7m.

Market share in decorative paints has been increased by about 0.5 per cent to 10 per cent and making Blundell-Permoglaze equal third largest group in the sector.

Gross total dividend is raised from 5.14p to 6.85p. The 1978 total includes a payment of 0.542p and means the dividend has been raised by a third this year after being lifted by 25 per cent the previous year.

Chairman Mr Newland Bassett-Smith said the first-half figures were affected by the transport strike but were still 14 per cent ahead and there was a considerable improvement in the second half.

The national steel strike was



Mr. N. G. Bassett-Smith, chairman of Blundell-Permoglaze Holdings.

still posing a threat, but the group says its consumer stocks and the position of suppliers Blundell gets two-thirds of its sales from Metal Box—suggests no real difficulties until perhaps the end of March.

Last year raw material prices, titanium dioxide is used in 25 per cent of the group's products, rose 25 per cent.

"We are still the cheapest at the factory gate and there is a margin for increasing prices if raw materials go on rising," he said.

Business appointments

Westward TV chief on Aston Martin board

Mr Peter Cadbury, executive chairman of Westward Television, has joined the board of Aston Martin.

Mr L. Tyer has been appointed London Actuary of Scottish Equitable Life Assurance. He succeeds Mr. S. R. Ristic who is returning to Edinburgh to administer the group's pensions contracts.

Mr Ken Appleton has been appointed to the new post of director of personnel relations for Pilkington.

Mr J. W. D. Ewart has been appointed chairman and Mr. J. M. Light managing director of English Card Cithring after the retirement of Mr. S. Rothery from his position.

Mr T. Heller and Mr. T. Thompson have been appointed to the board of Hanmer Corporation.

Mr. John A. Croft, a non-executive director of H. Brammer & Co. has been made chairman of Brammer Transmissions.

Mr G. A. Freestone has been appointed to the new position of managing director at Midland Bank International, in charge of the bank's Asian and Pacific region.

Mr. M. J. Walsh has been appointed a director of Shell International.

Mr. A. G. Cropper has been elected to the board of Lake & Elliot as finance director.

Mr. Michael Aldrich has been appointed managing director of Redlon Computers.

Miss G. H. Durbin has been appointed financial director of Penwalt.

Mr. M. Osborne, director of Javelin Motor, has been elected chairman of the Foreign Exchange and Currency Deposit Brokers' Association; Mr. J. H. Gunn, director of Astley & Pearce, deputy chairman; and Mr. H. A. Woollard, chairman of Woollard, honorary secretary/treasurer.

Gallaher passes £60m pretax

For the second year running, Gallaher, the British tobacco giant which is owned by American Brands of the United States, has produced record results. In 1979, Gallaher's pretax profits rose by 24 per cent to £63.2m—the first time the £60m mark has been exceeded.

With the tax charge reduced by £14.1m to £17.6m (because of the writer-off of stock appreciation relief), against 1978's £26.2m tax charge, net profits have jumped by 34 per cent to £45.6m. Ordinary dividends are only slightly higher at £24.6m (compared with £21.1m), which means that the year's retained profit has soared to £21.1m more than six times 1978's £3.4m.

Total sales improved by 6.4 per cent to £1,621.3m. Of this domestic tobacco sales were 8 per cent better at £1,098.9m, while overseas tobacco sales were 3.1 per cent greater at £762.4m. All the other divisions—engineering, optical and distribution—showed better sales and profits.

L Newmark over £1m at half-way

Louis Newmark, the electronic and precision engineer and watch distributor, reports pretax profits up by 13 per cent to £14m in the six months to September 29, 1979.

Although the engineering dispute made its mark and reduced profitability in some of the group's divisions, the interim results are better than those for the same period in previous years, said Mr Geoffrey Newmark, chairman. The interim dividend has been increased by 16 per cent to 5p gross.

New capital issues fall to £28m

Statistics compiled by Midland Bank show that the amount of "new money" raised in the United Kingdom in January was £25m, a sum broadly similar to the £32.3m and £32.7m raised in January 1978 and 1977 respectively, but only a quarter of the December total of £106m.

Issued by public bodies accounted for two-thirds of the month's total, in contrast to the generally low level of activity in 1979. Twenty local authori-

Newspaper group figures soar ahead

By Financial Staff

A cover price increase and higher advertising rates helped Portsmouth and Sunderland newspapers to sell past last year's total profit in the first nine months of the current period.

Pretax profits in the 39 weeks to December 29, 1979, amounted to £3.1m, over a third up on the previous period's £2.2m while turnover rose from £10.8m to £14m.

As such, pretax margins have widened from 20 to 22 per cent. However, the figures mask an interest credit on the near £4m liquid assets, up almost £1m on the year end figure.

Although the group has no immediate plans for spending the money it is increasing the retailing side of the business.

Costs during the period were contained on the newsprint side thanks to the strength of sterling against the dollar.

Profits were also helped by an increase in the cover price of the newspaper last February and a 17 per cent rise in advertising rates in October. Circulation has also picked up slightly, though it is not running at its previous peak levels.

The group is not yet benefitting from the introduction of new technology which was installed in 1978. However, finance director Mr. E. McKisick reports that some progress towards introducing this form of printing is being made.

The shares at 80p are yielding an historic 7.5 per cent.

Westinghouse power group profits despite law suits

Westinghouse of Pittsburgh, Pennsylvania, manufacturer of equipment and components related to the control of electricity, has not accounted for the estimated cost of securing 14 of 17 law suits brought by Electric Utilities in 1975 and also has provision to cover the remaining cases and related uranium litigation, according to the chairman, Mr. Robert Kirby.

The company says it had a profit in 1979, before extraordinary uranium related losses, of \$33.1m (about £143m) or

It said the after-tax extraordinary uranium losses amounted to \$405m including the estimated cost of settling in 1979 eight previously announced uranium supply law suits, in addition to the special \$118.1m provision.

The 1979 results also were adversely affected by a seven week strike which closed many company plants last summer.

In 1978, Westinghouse earned \$313.3m before extraordinary uranium-related losses. Net income amounted to \$243.4m. In the fourth quarter of 1979, results for 1979 will be better than those of 1978, which should logically lead to a higher dividend payout... and we expect a further improvement this year despite prevailing uncertainties in the (French publishing) trade as a whole," according to director-general, M. Gerard Worms.

abey not begin deliveries to the rest of America until the autumn of 1985, a year later than planned by the Northwest Alaskan Pipeline Company, according to Federal Inspector Mr. Jack Rheit.

He also said the state's money is no longer considered necessary to ensure construction of the \$23bn project.

International

Hachette confident

Librairie Hachette, France's largest book and periodical publisher and distributor, expects to show improved earnings and pay a higher dividend for 1979, with a further improvement this year, too, in the French and international activities.

The company said the three operating companies which comprise Westinghouse had higher sales in 1979 compared with the previous year. In addition to a lower tax rate, 1979 results were helped by higher income from marketable securities.

The company posted net earnings of Fr 150.3m in 1978, including Fr 97.2m of non-recurring capital gains, on sales of Fr 588.2m. It paid a net dividend of Fr 8 per share, up from Fr 6 a year earlier.

M. Worms cautioned, however, that after last year's stagnation for four years, which involved a profound restructuring of the group including the divestment of a number of unprofitable activities in the periodical, printing and audio-visual sectors plus tighter financial control, are beginning to pay off.

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FINANCIAL NEWS AND MARKET REPORTS

Tobacco group hit by exchange fluctuations

Exchange rate differences had a marked effect on profits and turnover during the year at British-American Tobacco, the BAT Industries subsidiary. Turnover declined from £27,486 to £3,458m and attributable profits from £140m to £106m in the 12 months to September 30, 1979. The currency fluctuations reduced turnover by £267m, pre-tax profits by £21m and net profit attributable to BAT by £12m.

Although cigarette sales continued to increase, profits declined slightly because of lower margins on United Kingdom exports and the high cost of establishing a foothold in the United Kingdom domestic market. Sales and profits improved in Asia and Africa, and the German home improvement subsidiary also made a significant contribution.

Another BAT Industries subsidiary, Wiggins Teape, the papermaker, improved pre-tax profits by 27 per cent to £54.5m and turnover by 11.5 per cent to £51.4m during the same period. The printing and writing sector was particularly successful despite strong competition from imports and losses at the Fort William pulp mill.

A strike at Idem Carbonless Papers in South Wales hit profits severely but the group's continental interests showed substantial increases.



The Rank Movis MacDougall AGM heard a forecast yesterday from Mr. Joseph Rank chairman (pictured on the left) talking to Mr. P. W. J. Reynolds, the managing director, that first-half profits would be considerably improved. The year has started well for this flour, foods and bakery group

The group's main wage settlements have been concluded and it has increased the price of bread and flour sufficiently to offset the increase in wheat costs and wages.

In the year to December 1, pre-tax profits improved from £31.1m to £32.6m.

Diamond prices to be increased

By Michael Prest

The Central Selling Organisation, the marketing arm of De Beers, will increase the price of rough stones of one carat and more from the next "sight" or sale on February 18. Revenue is expected to go up by about 12 per cent.

The move is a response to speculative buying, particularly from Israel, nearly sent the market out of control, the company has kept a wary eye on any signs of heavy buying beyond normal trading.

The last price increase took effect from the September sight in 1979. The overall rise in revenue was 13 per cent. Officially, prices are never revealed, and are in fact a little

soared.

De Beers is always anxious to maintain its hold on the market. After a scare two years ago when intense speculative buying, particularly from Israel, nearly sent the market out of control, the company has kept a wary eye on any signs of heavy buying beyond normal trading.

The last price increase took effect from the September sight in 1979. The overall rise in revenue was 13 per cent. Officially, prices are never revealed, and are in fact a little

soared.

Simple inflation has also prompted the latest increase. In 1979 De Beers' dollar profits rose by only 1.8 per cent to \$2,985m, against an annual rise of 46 per cent between 1976 and 1978. Expressed in rand, profits fell by 1.2 per cent last year.

Mr. Donald Clarke, the group's assistant general manager in charge of finance said: "We are not in a position to issue until we have the Dutch company set up." The Iland Revenue's decision means direct United Kingdom sterling bond issues will no longer prove attractive to investors, but "none of the problems or costs involved in setting up the Dutch company are such to put us off this sector of the market", Mr. Clarke said.

The group was considering an issue at the beginning of the month since the market seemed to pick up.

United Rubber is buying AID for £650,000 with £3 million

FFI calls a halt to Eurosterling issues

By Our Financial Staff
An increase in borrowings and subsequent rise in interest charges has left pricing to office equipment group Lonsdale Universal with a profits shortfall at the year end.

At the trading level, profits rose by a tenth to £2.4m but pretax they fell from a previous £1.6m to £1.4m on turnover £6.5m higher at £26.8m.

However, the chairman Mr. Norman Radley admits that the level of borrowings was the main worry during the year. In the 12-month period they rose from a net £4.1m to almost £5m increasing gearing to some 60 per cent of shareholders' funds.

Borrowings rise at Lonsdale

At present Lonsdale is involved in negotiations to sell its six retailing outlets and expects to raise around £1m from the freeholds and leases. This money will be used initially to reduce borrowings back to the £4m level.

The decision to withdraw from the retailing results from the low profit margins it receives on the cash invested.

Elsewhere the office equipment, stationery and supplies division, the largest in the group, increased its contribution marginally to £1.4m. Profit margins here amount to 8.6 per cent.

The bookselling division,

helped by a first-time contribution from the Australian side, only just bettered last time's profits of £2.76m total. The Australian side contributed around 60 per cent of the profit and the chairman is expected to announce a further expansion in that country in the annual report and accounts.

A final dividend of 5p gross gives shareholders a total for the year of 7.4p, a rise of a fifth on the previous amount. The shares, which dipped 2p to 58p yesterday, trade at almost 5 times fully taxed earnings and yield 12.7 per cent.

Drought delays tea profits

The drought in India earlier this year, which held back the tea crop, has hit interim profits in Kettnerland, means that the issue has been shelved, the board said.

Mr. Donald Clarke, the group's assistant general manager in charge of finance said: "We are not in a position to issue until we have the Dutch company set up." The Iland Revenue's decision means direct United Kingdom sterling bond issues will no longer prove attractive to investors, but "none of the problems or costs involved in setting up the Dutch company are such to put us off this sector of the market", Mr. Clarke said.

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United Rubber is buying AID for £650,000 with £3 million

turnover £600,000 higher at £12.3m.

However, the management accounts for the whole of 1979 show that profit will be similar to last year's £5.8m despite the strength of the pound which has reduced results in sterling terms.

The figures include a first-time contribution from specialist paint group Joseph

Mason bought in October 1978 for £2.3m cash. Part of this money came from a £1m medium-term loan from FCI on a 13.5 per cent fixed rate and this is the bulk of the group's borrowings.

The shares, which dipped 2p to 151p yesterday, yield a prospective 8.9 per cent on a forecast total dividend of 13.5p gross.

Reverse takeover by design group

Allied International Designers, a private group which shaped the Leyland Routemaster bus, is making a reverse takeover for shell company United Rubber. Its name will then be changed to Allied International Designers Ltd and quoted under the 163 (2) Stock Exchange.

United Rubber is buying AID for £650,000 with £3 million

shares which will mean that shareholders and senior staff of AID will effectively gain control of 71 per cent of United Rubber. Its name will then be changed to Allied International Designers Ltd and quoted under the 163 (2) Stock Exchange.

AID was co-founded in 1959 by current chairman, Mr. James Pilditch. Its client list includes American Express, BAT Industries, Beechams and Unilever. It launched Allied Breweries into the fast food business and designed the packaging for a range of Yardley toiletries. Profits last year were £110,000.

Reardon Smith expects second-half improvement

Despite a sharp downturn at the half way stage, Cardiff-based shipping group Reardon Smith is looking forward to going back into the black in the second half although it is unlikely to be out of the red for the full year.

Trading profits fell from £1m to £395,000 while turnover rose slightly from £10.3m to £11.2m in the six months to September 30, 1979. But the group pointed out that the 1978 interim results included the sale of a 53 per cent share in an oil rig which otherwise would have produced £313,000 trading profit.

The share price, which fell 1p before the announcement, went back to 69p during the day.

The board said that since the loan repayments on the rig were higher than the depreciation rate and interest rates have increased since 1978, cash

flow has improved as a result of the sale.

The main reasons for the group's difficulties in the first half were due to its inability to take full advantage of increased freight levels because of forward commitments.

The weakness of the dollar, increases in bunker costs, port charges, storing and general running costs all took their toll. Exchange losses were £120,000 compared with a £13,000 gain. But Mr. Charles Charters, the chairman, said that the second half would show considerable improvement, providing there was no material change in the board's assumptions, and should show a profit after depreciation.

Reardon has further deferred its loan capital repayments until the end of 1980. Borrowings currently stand at £16m. There is again no interim dividend as a result of loan terms.

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The Swiss franc dipped to 1,632.83 (1,615.95), and other Europeans to weaken in dollar terms were the D mark, 1,744.3 (1,736.5) and French franc 2,078.5 (2,063.0).

The pound also strengthened, reaching 2,270 against the dollar, compared with its previous dollar close of 2,294.40.

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Bank Base Rates

Bank	Rate
ABN Bank	17%
Barclays Bank	17%
BCI Bank	17%
Consolidated Credits	17%
C. Hoare & Co.	17%
Lloyds Bank	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
Rosslyn	17%
TSB	17%
Williams & Glyn's	17%

1-day deposit on sums of \$10,000 and under 13%; up to \$25,000 13%; over \$25,000 13%.

THE TIMES

Over 60% of Times readers insure the contents of their homes.

MARKET REPORTS

COPPER was steady after yesterday's cash wire bars, £1,180-00 per tonne. Three months forward cash £1,251-00 per tonne. Three months forward cash £1,253-00 per tonne. Three months forward cash £1,250-00 per tonne. Cash cathodes £1,240-00 per tonne. Three months forward cash £1,243-00 per tonne. Sales 800 tons.

LEAD was steady. Afternoon—Gland cash £7,300-70 a metric ton; three months forward £7,300-70. High grade cash £7,300-70; three months forward £7,300-70. Three months forward £7,300-70. Settlement £7,300-70. April, £7,300-70. Sales 1,500 tons.

ZINC was steady. Afternoon—Cash £1,000-00 per tonne. Three months forward £1,000-00 per tonne. Morning £1,000-00 per tonne. Afternoon £1,000-00 per tonne. Three months forward £1,000-00 per tonne. Settlement £7,300-70. Sales 1,500 tons.

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COBALT was steady. Afternoon—Cash £1,000-00 per metric ton; three months forward £1,000-00 per metric ton. Settlement £1,000-00 per metric ton.

SILVER was steady. Afternoon—London daily price £1,325-00 per ounce. Three months forward £1,325-00 per ounce. One year forward £1,325-00 per ounce. London daily price £1,325-00 per ounce. Afternoon £1,325-00 per ounce. Three months forward £1,325-00 per ounce. Settlement £1,325-00 per ounce. Sales 150 tons.

ALUMINUM was steady. Afternoon—Three months forward £1,000-00 per tonne. Settlement £907-00 per tonne. Settlement £908-00 per tonne.

NICKEL was steady. Afternoon—Cash £2,040-50 per metric ton; three months forward £2,040-50 per metric ton. Morning £2,040-50 per metric ton; three months forward £2,040-50 per metric ton. Settlement £2,040-50 per metric ton.

COAL was steady. Afternoon—Cash £3,165-70. Sales 350 tons. Morning £3,165-70. Sales 350 tons.

Discount market

The shortage of funds was not quite so great yesterday, but money remained expensive. The Bank of England was able to leave the lending element out of its package of help to the discount market. Giving assistance on a large scale, the Bank bought a moderate quantity of Treasury bills from banks and houses, a small number of local authority bills from the houses, and a small amount of eligible bank bills that will be resold to the houses at a future date.

Rates for fresh secured money opened at 17 per cent and held that level for much of the session, with little progress made. In the afternoon, however, the situation eased a little and houses were able to pick up some balances at rates down to 16 1/2 per cent. The close came within a band of 16 1/2-17 per cent.

The adverse factors comprised the repayment of moderate loans to the Bank, the unwinding of a large position in Treasury bills and local authority bills, small payment of end-month oil money, and a small net treasury bill take-up.

Commodities

SUGAR—The London daily price of refined sugar, unchanged, was £1,000-00 per tonne. Future £1,000-00 per tonne. Old 3-month £1,000-00 per tonne. Sales 8,100 tons. New 3-month £1,000-00 per tonne.

MEAT—The London daily price of lamb, £1,110 per cwt, unchanged. Future £1,110 per cwt. Sales 1,000 tons.

WHEAT—The London daily price of wheat, £1,000 per cwt, unchanged. Future £1,000 per cwt. Sales 1,000 tons.

BARLEY—The London daily price of barley, £1,000 per cwt, unchanged. Future £1,000 per cwt. Sales 1,000 tons.

MEAT COMMISSION—Average fatstock prices at representative markets on Jan. 30, 1980. Lamb, 75/- per cwt. Mutton, 65/- per cwt. Sheep, 45/- per cwt. Cattle numbers down 11.7 per cent, average price down 19.8 per cent. Average price per cwt. per head, average price £50-75/- per cwt. Sheep numbers down 75-15/- per cent, average price £34-69/- per cwt.

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MEAT COMMISSION—Average fatstock prices at representative markets on Jan.

ACCOUNT DAYS: Dealings Began, Jan 28. Dealings End, Feb 8. § Contango Day, Feb 11. Settlement Day, Feb 12.

§ Forward bargains are permitted on two previous days.

John Foord

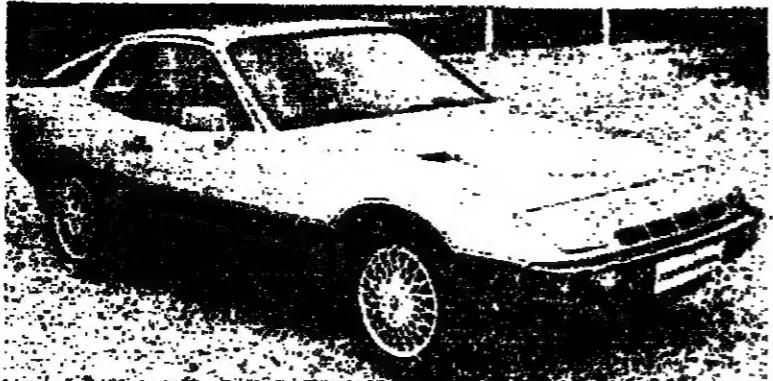
plant and machinery valuers

Motoring

BL call to 'buy British' is not enough

The impression gained from the scores of letters that have arrived at *The Times* in response to Sir Michael Edwards' call to "buy British" is that patriotism, in adapting the words of Nurse Cavell in a very different context, will not be enough. Though some readers have lined up solidly behind the BL chairman, the great majority are not impressed by his appeal. To be convinced that the cars are available, reliable and competitive, which they feel is not the case at the moment.

The fact that BL has lost sales through not having cars in the showrooms at the right time is almost too obvious to require comment. Last year, in addition to BL's many internal disputes, there were damaging strikes by lorry drivers and engineering workers; now we have a national steel strike. No wonder that customers get tired of waiting and take their business to another franchise, probably foreign.



Non-thirsty performance—the Porsche 924 Turbo

The second reason readers give for not buying BL cars is poor quality and reliability. So many letters have described, often more in sorrow than in anger, how long-standing loyalty has been eroded by shoddy finish and mechanical defects. If these letters are any guide, there is a widespread disenchantment with BL products.

There are, unfortunately, no objective data on reliability. Reports in the consumer magazine, *Which?*, suggest that some (by no means all) foreign makes are better than British, but is the *Which?* sample big enough and representative?

This week I was talking to a dealer who has sold Leyland, European and now Japanese franchises and maintains that the Japanese cars are by far the most reliable he has handled. Is his experience typical?

What can be said about BL cars is that they tend to be launched with serious faults that condemn the

model for years afterwards. It happened with the Allegro, the Princess, the TR7 and, more recently, the Rover. No British car has been so enthusiastically received as the Rover, but a Car of the Year award is no consolation for repeated breakdowns. Second-hand Rover prices tell their own, sad story.

But there have been letters from owners expressing complete satisfaction with BL cars and wondering what the fuss is about. And reliable or not, there is still strong evidence to suggest that taking into account items like the cost of parts and insurance, British cars are cheaper to run. Certainly in fleet markets, for which cost is the most important factor, BL is the most popular.

The third point raised by readers is the competitive nature of the BL range. Several people regret the absence, since the demise of the Triumph 2000, of a large estate car. A Rover estate does exist, indeed

Sir Michael Edwards drives one, but there are no plans, apparently, to put it into production. Another perceived gap is a small modern hatchback on Golf/Horizon Strada lines. There is also regret at the demise of Alfa.

The other question is whether the cars that do exist are as good, in design, as European and Japanese rivals. That must be a matter of judgment. Mine is that BL's volume cars, particularly, have not been kept as up to date as they should have been. The Mini is 20 years old, the Dolomite 13, the Maestro 11, and the Marina nine.

BL has an impressive new model programme, due to appear in the autumn, the Honda in 1981, the LC10 small hatchback in 1982 and the LC11 medium saloon in 1983. The Marina is to get a new bodyshell and the Princess a facelift. But will these much-needed heart transplants be in time to save the patient?

Road Test : Porsche 924

Turbo

Turbocharging, the harnessing of exhaust gases to boost engine power, has suddenly become fashionable, with car makers from Detroit to Tokyo announcing turbo models in such quick succession that it is hard to keep up with them. Ironically, this concerted move towards more powerful cars is very much connected with the energy crisis.

Performance generally means high fuel consumption. But with oil scarce and expensive, it is getting more difficult to justify thirsty cars.

In the United States car makers

face fines if they fail to meet federal fuel consumption standards. On the other hand, there is still a demand for performance cars and the dilemma for manufacturers is how to satisfy it without squandering fuel.

Turbocharging provides the answer, greatly increasing the power of an engine without a proportionate fuel penalty. The Porsche 924 makes the point very well. Even in its "ordinary" form, the four cylinder 1984 cc engine is hardly sluggish; but fitted with a turbocharger it produces 170 bhp against 125, with a big increase in torque and performance figures that are astonishing for a two-litre.

The 0 to 60 mph acceleration time of 7 seconds and top speed of 140 mph puts the car up with the fastest six and eight cylinder models. And that is not the end of the story for the most impressive aspect of the turbo is the flexibility it provides for overtaking. To open the throttle from around 50 mph is to unleash an exhilarating surge of power that will double the car's speed before you can open your mouth in the driving mirror.

The top speed is, of course, academic (except on Porsche's home territory, Germany), but it does underline the car's potential.

To get the full effect of the turbo, the engine must be turning over at about 3,000 rpm, which means that flexibility down, say, from 50 mph is less impressive unless there is a distinct gear or in gear. In traffic, it is unlikely that the turbo will be used at all and overall it might be in action no more than 10 or 15 per

cent of the time, depending on how hard the car is driven.

But it is precisely this limited use that enables fuel consumption to remain at a respectable level. The Porsche should give about 22 mpg in town and up to 27 mpg on the open road which, bearing in mind its performance potential, are excellent returns.

Unfortunately, enjoyment of the car's performance is marred by its gearbox, one of the most awkward I have come across. To start with, first is located not "over and up" as on most boxes, but over and down, and it can be very difficult to engage.

Unwary drivers assuming that first is in the usual place will find themselves in reverse, a disconcerting experience. The movement from first across to second is so slight that it is easy to slip straight into fourth. The other complaint is the wide spacing in ratio between first and second. Owners will presumably get used to these foibles, but after a week with the car I was still struggling.

Handling is generally up to the demands of the extra power. Though low geared, the steering is very precise and the small wheel a pleasure to use. The all-independent suspension helps to keep the car firmly on the road, with little body-roll on corners, while spoilers, front and back, ensure stability at speed.

The ride is firm and may not be to all tastes; the seats are also firm but well shaped. A driver will find his weight pressing up agains the steering wheel, for which height adjustment would be useful. The car claims to be a "two-plus-two", but the back seats are

cramped, even for children; they do, however, fold forward to increase what is otherwise modest boot space.

The 924 Turbo is far from being a quiet car, though for many the throaty engine will be part of the appeal. Less defensible is the inconsistent road noise. Standard equipment includes wash-wipe for the headlamps and rear screen, electric windows and a radio-cassette fitted with an electric aerial. The car costs £13,629, a lot of money for a two-litre, but not for the performance it offers, and it looks to be built to typically robust Porsche standards.

More for the Four

Nearly 19 years after its introduction, the little, ugly but obstreperous Renault 4 shows no sign of flagging. This week a new version is announced, the GTL, which, by fitting a bigger 1108 cc engine, gives better performance and fuel consumption than the 845 cc model (which remains in production). Scoring 44.8 mpg on the official urban cycle and 52.3 mpg at 56 mph, the GTL ranks with the most economical cars sold in Britain. It costs £3,050.

The first postwar Renault with front-wheel drive, the 4 is the most successful French car ever produced. It is assembled in 11 countries and during 1980 sales should pass six million, about £1 million more than the Mini which had two years' start.

Peter Waymark

CAR BUYER'S GUIDE



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PERSONAL CHOICE

Rosemary Leach and Derek Nimmo in *Life Begins at Forty* (ITV, 8.00). This is a repeat episode.

Broadcasting Guide

Edited by Peter Davall

TELEVISION

BBC 1

9.05 am *For Schools: Colleges*: *Treffpunkt-Deutschland (Schule)*: 9.25 *Athlete*, (highjump); 9.35 *Look and Read*; 10.35 *Maths-in-a-Box*; 10.35 *Going to Work* (sport); 11.00 *It's a Big Old Fair* (fair); 11.15 *You and Me: I'm the King of the Castle* (r); 11.40 *For Schools: Colleges*: *Everyday Maths*; 12.05 pm *Your Own Business*: Close down at 12.30 pm; 12.45 *News and weather*.

1.00 *Pebble Mill at One*: What Brighton and other Sussex coastal resorts offer the holidaymaker. A report by Ian Lyon. Also an interview with the former Crossword editor Edmund Albertha. This is the famous puzzle's golden jubilee year.
1.45 *Mister Men*: Puppet show. Mr Impossible and Mr Small (r); 1.55 *Play School*: *For You* (r); *Scene* (John Surtees); 2.35 *A Good Job* with *Prospects* (financial world); 3.00 *Bobol y Cwpan*: *Satiric in Welsh*; 3.35 *Play School*: *Children's Archery*; 3.45 *The New Toy*; 4.20 *Hong Kong Phoenix*: *Cartoon*; 4.30 *Jackson*: *Geoffrey Hinsliff*.

BBC 2

11.00 *am Play School*: *Same as BBC 1*; 1.55 *Closedown at 11.25*; 5.40 pm *Cartoon 2*: *Oh, My Darling*: A cartoon made in the Netherlands; 5.50 *Mother Goose*: *Adventure Island* (TV); 6.00 *Chinese Fairy Tales*; 6.35 *Cricket*: Australia v England; 7.05 *Delta South*: *Country Crossroads*: *Art of making a good casserole and preparing braised meats. Recipes demonstrated are for Hungarian goulash, pork with apples and cider, and braised meat with peppers*; 7.30 *News*: *With subtitles for the hard of hearing*.

THAMES

9.30 am *For Schools: Botanic Man* (David Bellamy); 9.57 *Stop, Look, Listen* (about location); 10.10 *TV's Young Farmers*; 10.45 *Workshop* (writing about sports); 11.10 *Reading with Lenny* (Terry Hall, Lenny the Lion); 11.22 *Leap-frog* (main); 11.39 *Bedtime It or Not (Christianity)*; 11.55 *Country Time*: *Scaldy Cat* (r); 12.00 *Song Book*: *For the young*. With Kathy Jones, Leo Dore; 12.10 pm *Once Upon a Time*: *Pup and Peter* (Peter Wilson tells the story of *Waking up the Sun*); 12.30 *Silently Sewing*: *How to make a jacket*. With Leila Aitken; 1.00 *News*; 1.10 *Thames News*; 1.30 *Together*: *Serial about life in a block of flats*; 2.00 *After Noon Plus*: *Vital statistics*—how body size affects character. A light-hearted view of the figure, featuring a 17-stone Kenny Everett, 8-stone Kenny Everett, Mr Europe and a stripper; 2.45 *Film*: *The Small Back Room*.

with another reading from Geofrey Klinner's book *Joe Burkinshaw's Progress*; 4.50 *Tarzan, Lord of the Jungle*: *Tarzan and the Forbidden City* (r); 5.35 *Gauge Hill*: *Comprehensive school serial*. Quick profit for Pogo (Peter Moran).

5.35 *The Perishers*: *Short comedy, with Leonard Rossiter* (r); 5.40 *News*: *With Peter Woods*; 5.55 *The Superstars*: *First of the ten-part series*. The eight contestants are: *judo champion Bridie Jacks, decathlete Daley Thompson, boxer Alan Minter, pentathlete Danny Nightingale, basketball player Steve Asmussen, athlete John Gooch, tennis player Goff Hurn, footballer and footie-hound Goff Hurn, *Mr Wife Next Door*: *Domestic comedy serial*. The divorced couple (John Alderton, Hannah Gordon) are still living together. *Home* ends at 12.05 am *apocalypse*.*

Regions

9.45 *1 Variations*: *Ward*; 11.45 *am News*: *10.30 am News*; 12.30 pm *News*; 1.00 *pm News*; 1.30 *pm News*; 1.45 *pm News*; 1.55 *pm News*; 2.00 *pm News*; 2.30 *pm News*; 2.45 *pm News*; 3.00 *pm News*; 3.30 *pm News*; 3.45 *pm News*; 3.55 *pm News*; 4.00 *pm News*; 4.15 *pm News*; 4.30 *pm News*; 4.45 *pm News*; 4.55 *pm News*; 5.00 *pm News*; 5.15 *pm News*; 5.30 *pm News*; 5.45 *pm News*; 5.55 *pm News*; 6.00 *pm News*; 6.15 *pm News*; 6.30 *pm News*; 6.45 *pm News*; 6.55 *pm News*; 7.00 *pm News*; 7.15 *pm News*; 7.30 *pm News*; 7.45 *pm News*; 7.55 *pm News*; 8.00 *pm News*; 8.15 *pm News*; 8.30 *pm News*; 8.45 *pm News*; 8.55 *pm News*; 8.55 *pm News*; 9.00 *pm News*; 9.15 *pm News*; 9.30 *pm News*; 9.45 *pm News*; 9.55 *pm News*; 10.00 *pm News*; 10.15 *pm News*; 10.30 *pm News*; 10.45 *pm News*; 10.55 *pm News*; 11.00 *pm News*; 11.15 *pm News*; 11.30 *pm News*; 11.45 *pm News*; 11.55 *pm News*; 12.00 *pm News*; 12.15 *pm News*; 12.30 *pm News*; 12.45 *pm News*; 12.55 *pm News*; 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